

TO BE FIRST LIEUTENANTS, DENTAL CORPS
George Nicholas Schulte
Edwin Howell Smith, Jr.
Julius Calvin Sexson
Frank Archer Mitchell

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT
Lt. Col. Perry Cole Ragan

TO QUARTERMASTER CORPS
First Lt. James Lee Massey

TO CORPS OF ENGINEERS
Lt. Col. Edward Marion George
Lt. Col. Wallace Marmaduke Allison

TO ORDNANCE DEPARTMENT
First Lt. James Aloysius Cain, Jr.

TO CHEMICAL WARFARE SERVICE
First Lt. Ronald LeVerne Martin

TO AIR CORPS
Second Lt. James Arthur Plant
Second Lt. William Thomas Seawell
Second Lt. Howard Clarke Goodell
Second Lt. Kenneth O'Reilly Dessert
Second Lt. Hume Pea'ody, Jr.
Second Lt. Ben Isbel Mayo, Jr.
Second Lt. Robert Merrill Tuttle
Second Lt. John Langford Locke
Second Lt. Wayne Edgar Rhynard
Second Lt. Charles Edwin Jones
Second Lt. John Miles Henschke
Second Lt. David Ernest Kunkel, Jr.
Second Lt. Clarence Lewis Elder
Second Lt. Robert James Colleran
Second Lt. Floyd Sturdevan Cofer, Jr.
Second Lt. Willis Bruner Sawyer
Second Lt. John Adams Brooks 3d
Second Lt. Clifford Elbert Cole
Second Lt. Eric Thomas de Jonckheere
Second Lt. William LeRoy Mitchell, Jr.
Second Lt. Leon Herman Berger
Second Lt. George Hamilton Stillson, Jr.
Second Lt. Edwin Watson Brown
Second Lt. Paul Rutherford Larson
Second Lt. Herbert Welcome Frawley, Jr.
Second Lt. Jack Leith Bentley
Second Lt. Andrew Julius Evans, Jr.
Second Lt. Robert William Horn
Second Lt. Walter Leon Moore, Jr.
Second Lt. Richard William Kline
Second Lt. Paul James O'Brien
Second Lt. Thomas Rees Cramer
Second Lt. William Wallace Brier 4th
Second Lt. Clinton Field Ball
Second Lt. Rob Reed McNaghy, Jr.
Second Lt. Fred Miles Hampton
Second Lt. Charles Love Mullins
Second Lt. Charles Sumner Seamans 3d
Second Lt. James Henderson Dienelt
Second Lt. Gwynne Sutherland Curtis, Jr.
Second Lt. Horace Grattan Foster, Jr.
Second Lt. John William Meador
Second Lt. George Scratchley Brown
Second Lt. Richards Abner Aldridge
Second Lt. Joseph John Weidner
Second Lt. George Luther Hicks 3d
Second Lt. Edison Kermit Walters
Second Lt. Maxwell Weston Sullivan, Jr.
Second Lt. Charles Fuller Matheson
Second Lt. Thomas Goldsborough Corbin
Second Lt. Harry Canavan Harvey
Second Lt. Roderic Dhu O'Connor
Second Lt. Edgar Mathews Sliney
Second Lt. Charles Edwin Thomas 3d
Second Lt. Edwin Forrest Harding, Jr.
Second Lt. Jean Albert Jack

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Harry Albert Flint, Cavalry.
Walter Melville Robertson, Infantry.
John Henry Lindt, Coast Artillery Corps.
Pearl Lee Thomas, Cavalry.
Sidney Vincent Bingham, Cavalry.
Bird Spencer DuBois, Coast Artillery Corps.
Isaac Spalding, Field Artillery.
Harry James Malony, Field Artillery.

Henry Lytton Flynn, Cavalry
Robert Fee Hyatt, Field Artillery.
Harold Marvin Rayner, Cavalry.

VETERINARY CORPS

To be captain

Edward James Watson

APPOINTMENT IN THE REGULAR ARMY

To be first lieutenant, Medical Corps

William Henry Anderson

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO FINANCE DEPARTMENT

Maj. Robert Walter Stika

TO CORPS OF ENGINEERS

Lt. Col. Howard Burdette Nurse

First Lt. Carl Morton Sciple

First Lt. Charles Murray Henley

First Lt. Daniel Allen Richards

TO ORDNANCE DEPARTMENT

Capt. Alden Pugh Taber

First Lt. William Russell Huber

TO INFANTRY

Lt. Col. Willard Stewart Paul

TO AIR CORPS

Second Lt. Burton Curtis Andrus, Jr.

PROMOTIONS IN THE REGULAR ARMY

To be lieutenant colonels

Guy Lewis McNeil, Air Corps.

Landon Johnson Lockett, Infantry.

Columbus Bierce Lenow, Finance Department.

Charles Henry Calais, Infantry.

William Thomas Johnson, Finance Department.

Clarence Prescott Talbot, Air Corps.

Charles Deans Calley, Field Artillery.

Alfred Liljevalch Jewett, Air Corps.

Lloyd Daniel Bunting, Infantry.

Elam LaFayette Stewart, Quartermaster Corps.

Louie Clifford Mallory, Air Corps.

Bob Childs, Infantry.

Lewis Selwyn Webster, Air Corps.

Virgil Grover Allen, Infantry.

William Edward Smith, Quartermaster Corps.

William Andrew Smith, Quartermaster Corps.

Roy William Camblin, Air Corps.

Ray Eric Cavenee, Infantry.

Wade Darragh Killen, Infantry.

Andrew Jackson Schriver, Jr., Infantry.

Frank James Lawrence, Infantry.

Dorrance Scott Roysdon, Infantry.

Hyatt Floyd Newell, Infantry.

John Easton McCammon, Infantry.

Jules Verne Sims, Infantry.

Charles Carlton, Infantry.

MEDICAL CORPS

To be captains

Frederick Clay Weekley

George N. Schuhmann

DENTAL CORPS

To be captain

Elbert LaFayette Fenske

VETERINARY CORPS

To be major

Ralph William Mohri

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

TO BE MAJOR GENERALS

Levin Hicks Campbell, Jr.

William Fletcher Sharp

POSTMASTERS

CALIFORNIA

Walter D. Cannon, Campo.

Charles M. Rice, Hamilton City.

Emelia S. Schutt, Lafayette.

Ernest Lavagnino, San Juan Bautista.

Floyd M. Filson, Tinnant.

Benjamin H. Steeg, Twentynine Palms.

MARYLAND

Cecil E. Trinkaus, Oella.

PENNSYLVANIA

Joseph F. Gallagher, Olyphant.

SENATE

MONDAY, APRIL 6, 1942

(Legislative day of Monday, March 30, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Theodore O. Wedel, canon, Washington Cathedral, offered the following prayer:

Almighty God, who makest us glad with the yearly remembrance of the Resurrection of Thy Son, our Lord, and who art ever ready to open the gate of eternal life, even here and now, to those who yield themselves to Thy will and who worship Thy holy Name: Grant us a full measure of Easter joy; and may this Easter message bring to all men of good will throughout the world a new courage and a fresh hope. As the disciples on the Resurrection morn were astonished and turned from hopelessness to dauntless faith, so may all who revere Thee today receive the grace of Eastertide in their hearts.

Give to our Nation a renewed vision of the glory of its high calling—to do justly and to love mercy and to walk humbly before Thee. Let the joy of hope and the courage of godly faith spring up anew among our people that we may rejoice in Thy presence as sons and daughters of the morning. We ask it through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 3, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE EXCHANGE STABILIZATION FUND

A letter from the Secretary of the Treasury transmitting, pursuant to law, the annual report for the fiscal year ended June 30, 1941, of the Exchange Stabilization Fund created in accordance with law, including a summary of the operations of the fund from its establishment to June 30, 1941 (with an accompanying report); to the Committee on Banking and Currency.

RELIEF OF PRESENT AND FORMER POSTMASTERS AND ACTING POSTMASTERS

A letter from the Postmaster General transmitting a draft of proposed legislation to amend "An act for the relief of present and former postmasters and acting postmasters, and for other purposes," to permit payment

of total compensation to certain employees of the Postal Service employed in a dual capacity (with an accompanying paper); to the Committee on Post Offices and Post Roads.

AMENDMENT OF DEFENSE HIGHWAY ACT OF 1941

A letter from the Acting Administrator of the Federal Works Agency transmitting a draft of proposed legislation to amend the Defense Highway Act of 1941 (with an accompanying paper); to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate by the Vice President, or presented by Senators, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of Pennsylvania urging Congress to foster and enact legislation providing benefits to civilians who may be injured or the dependents of civilians who may be killed by reason of enemy action, etc.; to the Committee on Banking and Currency (see resolution printed in full when presented today by Mr. GUFFEY).

By Mr. CAPPER:

A letter in the nature of a memorial signed by members of Lodge No. 728 of the International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America, of Junction City, Kans., reaffirming their "no strike" pledge, and remonstrating against the enactment of certain pending and proposed labor legislation; to the Committee on Education and Labor.

A letter in the nature of a memorial from Local No. 312, International Hod Carriers', Building, and Common Laborers' Union of America, of Pittsburg, Kans., remonstrating against the enactment of legislation to change the 40-hour-week provision of existing law, and also against any change in the overtime pay scale; to the Committee on Education and Labor.

A petition of sundry citizens of Manhattan, Kans., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. GUFFEY:

A resolution of the Senate of the State of Pennsylvania; to the Committee on Banking and Currency.

IN THE SENATE,
March 31, 1942.

Whereas every individual and every locality throughout the United States has a common responsibility for the prosecution of the present war, and because an attack on a coastal city or any other locality would constitute an attack upon the entire United States, and the resulting cost of injuries to civilians, whether or not gainfully employed, properly constitutes a part of the total cost of carrying the conflict to a successful conclusion; and

Whereas it is recognized that a part of the cost of war is the obligation of support and maintenance of the economic status of civilians and their dependents deprived of their income or ability to maintain themselves by reason of injuries or death caused by enemy action; and

Whereas various States, including Pennsylvania, have enacted workmen's compensation laws providing benefits to injured employees or, in case of death, to their dependents, and under such laws have provided methods of administration which, based on trial and long years of experience, meet the wishes of the people of such States as to the amount

of the benefits, the best methods of their determination, and the proper procedure for their payment; and the amounts of such benefits established under the various State laws have been fixed by the legislature with due consideration to the economic loss arising from injury or death to employees in the particular State; and

Whereas it is probable that should the attack resulting in the injury or death of civilians take place during their working hours and at their working places, claims under workmen's compensation laws may be filed, and the authorities charged with enforcing such laws may require that compensation be paid to those injured or the dependents of those killed at work; and such awards of compensation under liability may be assumed by contract by State funds, self-insurers, and insurance companies, and must be paid at least to the extent of existing assets; and the losses resulting from an attack of great proportion might seriously impair their ability not only to pay such awards, but also might threaten the very security of the payment of compensation to hundreds of thousands of civilians injured or the dependents of those killed in industry, some of whose claims date back to the very inception of the law; and

Whereas in the enactment of such workmen's compensation laws the various State legislatures did not and could not have had in contemplation the possibility of losses due to war hazards such as currently exist at this time; and

Whereas insofar as such benefits may apply to civilians injured and killed in the course of their employment, the benefits shall be those that would be applicable under the workmen's compensation law in effect in the place at which they were employed; and

Whereas such legislation shall provide, insofar as such persons may be compensated under existing workmen's compensation laws, that the employers, State funds, or the insurance carriers directly responsible therefor, upon making such payments, shall be reimbursed by the United States; and

Whereas such legislation shall provide that existing administrative agencies of the various States and of existing insurance organizations with their extensive service facilities may be utilized to the fullest extent in the administration of such law and the distribution of the benefits thereunder, thus avoiding the necessity of establishing agencies which may prove unnecessary and which would duplicate already existing facilities: Now, therefore, be it

Resolved, That the Senate of the State of Pennsylvania hereby urges the Congress of the United States to foster and support legislation providing benefits to civilians who may be injured or the dependents of civilians who may be killed by reason of enemy action which benefits shall be a charge upon the whole people of the United States, equitably and proportionately distributed; and be it further

Resolved, That the secretary of the senate be directed to transmit a copy of this resolution to the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Senator and Member of the Congress elected from the State of Pennsylvania.

I do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Senate of Pennsylvania on the 31st day of March 1942.

GEORGE F. HOLMES,
Secretary, Senate of Pennsylvania.

PETITION AND RESOLUTIONS FROM THE STATE OF WISCONSIN

Mr. WILEY. Mr. President, I ask consent to present for appropriate disposition and printing in the Record, without

all the names attached thereto, a petition and several resolutions received from Wisconsin.

The VICE PRESIDENT. Without objection, the petition and resolutions presented by the Senator from Wisconsin will be received, appropriately disposed of, and printed in the Record, without all the signatures attached.

To the Committee on Education and Labor:

RIVER FALLS, WIS., March 24, 1942.

HON. ALEXANDER WILEY,
Senate Chamber, Washington, D. C.

DEAR SENATOR: We, members of the River Falls State Teachers College, urge you to use all of your influence and your vote to enact in Congress a law suspending for the duration of the war the 40 hours a week, the extra pay for overtime and holidays and Sunday, and the closed shop. We need every industry manufacturing war material to run 24 hours a day and 365 days a year. Stop this wrangle of labor and industry at once and set all to work.

JAMES I. MALOTT,
O. M. HANNA,
(And other citizens).

To the Committee on Finance:

Whereas bill H. R. 6750 seeks to promote the prosecution of war by exempting any defense contractor from State, Territorial, and local taxes the sale, purchase, storage, use or consumption of tangible personal property and services; and

Whereas said bill, if enacted into law, will add more burdens to the taxpayers of the country, who are now paying their share of the war burden and who are further aiding the Government in its prosecution of the war by purchasing war stamps and bonds, contributing to the Red Cross and kindred organizations, organized to relieve the burden and furnish comfort to those in the armed forces: Therefore be it

Resolved by the County Board of Supervisors of Milwaukee County, That it hereby goes on record as unalterably opposed to bill H. R. 6750, which seeks to exempt any defense contractor from taxation in the performance of any defense contract, and hereby urges its representatives in Congress to oppose the said bill as unfair to the taxpayers of this State;

Resolved further, That certified copies of this resolution be sent to the Presiding Officers of the United States Senate and House of Representatives and to the Senators and Congressmen from Milwaukee County.

Whereas there has been a concerted effort in Congress to pass legislation consisting of a tax bill by which the interest on municipal bonds would be taxed under Federal income-tax laws; and

Whereas the expenses of cities have greatly increased on account of the national emergency due to increase in wages and increase of cost of materials and increase in services especially arising out of civilian defense; and

Whereas the sources of revenues of municipal corporations, such as cities, is decreased rather than increased on account of the expanding field of taxation assumed by the Federal Government; and

Whereas it is the belief of the mayor and Common Council of the City of La Crosse that to levy a tax upon the interest from municipal bonds would further increase the cost of local government without increasing benefits to the Federal Government: Now, therefore, be it

Resolved by the Common Council of the City of La Crosse, That this body does express its opposition to the Federal Government levying a tax upon the income derived from the interest on municipal bonds because of

the reasons set forth in the preamble of this resolution; be it further

Resolved, That a copy of this resolution be forwarded to the Representative in Congress from this district and to the Senators representing the State of Wisconsin.

GREEN BAY, WIS., March 18, 1942.

To the honorable chairman and members of the Brown County Board of Supervisors.

GENTLEMEN: Whereas the war emergency has created a host of additional burdens upon counties, towns, cities, and villages; and

Whereas the curtailment of production of automobiles and allied industries, together with numerous peacetime consumer goods, have substantially reduced the amount of personal property subject to taxation; and

Whereas this has forced a great number of concerns out of business, materially reducing the assessed valuation of such property; and

Whereas the extent of the war effort will continue to expand for an indefinite time in the future, thereby continuing to reduce the valuation of taxable real and personal property; and

Whereas it is essential for the maintenance of local services that the present method of taxation be not disturbed; and

Whereas any loss in local revenue must be made up by increasing the tax on the house owner, the farmer, and the small businessman; and

Whereas H. R. 6750 is now before the Congress of the United States and provides for the exemption of certain taxes for those engaged in war production work without any method of supplementing the losses occurring from such exemptions to the various municipalities and such taxes being vital to the continuation of the welfare and safety of the various communities in this State: Now, therefore, be it

Resolved, That we hereby strenuously oppose the passage of bill H. R. 6750, now before the Congress of the United States, for the reasons set out above; and be it further

Resolved, That a copy of this resolution be forwarded to Senators ROBERT M. LA FOLLETTE and ALEXANDER WILEY and to Congressman JOSHUA JOHNS urging them to oppose the passage of such legislation.

Respectfully submitted,

MARTIN JANSSEN,
BERNARD L. ROTHE,
HARRY E. MASSE,
HENRY C. WITTIG,
TRUE ANDERSON,
Committee on Finance.

STATE OF WISCONSIN,

County of Brown, ss:

Omer F. Rothe, being first duly sworn, on oath deposes and says that he is the county clerk in and for Brown County, Wis.; that the foregoing resolution is a true and correct copy of resolution passed by the Brown County Board of Supervisors on March 18, 1942.

OMER F. ROTHE,

County Clerk, Brown County, Wis.

PRODUCTION FOR THE WAR EFFORT—
PETITION FROM SUMNER COUNTY,
TENN.

Mr. McKELLAR. Mr. President, I wish to read at this point a petition which was sent to the Members of the Senate and House from Tennessee, dated Gallatin, Tenn., March 1942:

To the Members of the Senate and House from Tennessee:

GENTLEMEN: We, the undersigned citizens of Sumner County, Tenn.—

A county of about 32,000 people—

are deeply concerned, as must be all true Americans, that production of war equipment by the United States should be placed, with all possible dispatch, upon a basis of

100 percent of capacity. Our needs and those of our allies are pressing. To meet them is imperative to victory, and victory is imperative to the preservation of our liberties and those of mankind.

We cannot win the war unless we supply our soldiers at the front with the necessary weapons and supplies with which to fight. It has become evident that the full production of the implements of war will not and cannot be obtained without expansion of work hours and the protection of production from interruption, which means sabotage of our defense program.

We urge you, it being, in our firm judgment, your patriotic duty—one which we are confident is approved by the overwhelming sentiment of this community and State—to advocate and support legislation of the following nature and purposes:

To suspend the 40-hour workweek for the duration of the war.

To make unlawful all strikes or lock-outs in war industries for the war period. No substitutes will do.

Respectfully.

That very concise statement is signed by more than 700 citizens of Sumner County. It is contrary to the rules of the Senate to print the names of petitioners, and, therefore, I cannot ask that the names be published in the RECORD, but I wish to say that the citizenship of this county is outstanding and of the highest character. The county was the home of such men as Gen. William B. Bate, who served in the Senate for many years; Edward W. Carmack, another brilliant Senator from Tennessee, and many others. There are no more patriotic or courageous people in the world than those of Sumner County, Tenn., and their opinion means much to me.

DON'T BLEED BUSINESS—EDITORIAL
FROM PHILADELPHIA DISPATCH

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD a front-page editorial from the Philadelphia Dispatch of April 5, 1942, entitled "Don't Bleed Business." I also ask that the editorial be referred to the Finance Committee.

There being no objection, the editorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

DON'T BLEED BUSINESS

Your typical American industry isn't trying to profiteer out of this war. It isn't trying to double and redouble its profits. It knows perfectly well that the bulk of earnings will be taken in taxes, and it has no complaint to make about that. But industry does want to retain the right to do business, and that hinges upon its ability to make enough profit to keep going.

It is one thing to tax profits after they are made. It is a very different thing to tax the wealth which makes profits possible. It is one thing to assess profits for needed public revenue. It is quite another thing to take the money that is needed for expansion, for reasonable reserves, for experiment, for betterment, and for other expenditures which are necessary to industrial progress.

One reason we're fighting this war is to keep freedom of opportunity and enterprise alive. After the war, we hope, there will still be private business, private jobs, opportunities for all. Business will need money then to change back from a war to a peace economy. It will need a backlog to carry it through the period when war production

suddenly stops, and peace production has not yet begun. It will need that, not primarily for its own sake, but for the sake of the millions of ordinary people who will want jobs and commodities and a place to invest their little savings.

This is what we must keep in mind in considering tax bills. We are going to have superheavy war taxation—that's necessary. We are going to tax war profits right to the hilt; that, too, is necessary and proper. But we must not adopt a system of taxation which will take from us the ability to keep going and do business in the time-tested American way.

ATTITUDE OF THE AMERICAN LEGION WITH RESPECT TO THE WAR PROGRAM

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have received from Francis M. Sullivan, acting director of the legislative committee of the American Legion, setting forth the wishes of that organization with respect to the war program. I am in hearty accord with the American Legion legislative program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., April 2, 1942.

DEAR SENATOR: The American Legion has expressed itself on the subject of work interruption in war-production plants at four of its important gatherings, such expressions being in the form of resolutions.

Our last national convention, held at Milwaukee last September, adopted the first of these. Additional resolutions came from our national executive committee at a meeting held at Indianapolis last November. The most recent declarations were made by our national defense committee and by our national legislative committee at meetings held at Washington, D. C.

A compilation of these expressions is attached hereto. It is the earnest hope of our organization that they will be given careful and serious consideration by the Congress in this hour of great crisis.

As you know, the American Legion's membership is over 1,100,000. A large number of our members are also from the ranks of labor. Our membership is but a cross section of the United States, and all phases of American life were represented when these resolutions were adopted, especially at the last national convention.

Very sincerely yours,
FRANCIS M. SULLIVAN,
Acting Director,
National Legislative Committee.

From the Milwaukee national convention, September 15-18, 1941:

"We demand continuing production in all industry vital to national defense and compulsory arbitration of all labor disputes therein.

"We commend those labor organizations which have sought to purge themselves of subversive elements."

Excerpt from universal-service resolution, adopted at Milwaukee national convention, September 15-18, 1941:

"For more than 20 years the American Legion has had before the Congress a program for universal service in time of emergency or national danger. We reaffirm the principle of universal service as applicable equally to the armed forces, capital, and labor, and we call upon those elements of capital and labor who have been parties to delay, disturbance,

and strikes in essential defense industries to examine their responsibility to the Nation in the light of the common sacrifice which all have to make."

The following resolutions were adopted at a meeting of the national executive committee, such meeting held November 6-7, 1941:

"We record as a matter of common knowledge that stoppages without warrant or justification in the aircraft industry have impeded national defense." (From the report of the National Aeronautics Commission.)

"Whereas for 22 years the American Legion has advocated that adequate national defense is necessary if our Nation is to live; and

"Whereas in the present crisis our Nation has adopted the program of all-out defense; and

"Whereas the President of the United States declared on November 6, 1941, 'That Americans must make full sacrifices now, must submerge labor differences, and work three shifts a day to help defeat Hitler and bring about the better world we aim to build'; and

"Whereas we find that our national sacrifice and effort are being wasted, and in all too many instances our defense objectives are failing of attainment because:

"(a) Confusion and delay result from the failure of the President of the United States and Congress to delegate authority and responsibility for defense production to a single agency.

"(b) Labor racketeers and profiteers who place personal advantage above the welfare of the Nation are crippling industry through strikes and lock-outs.

"(c) Loyal workers are intimidated, beaten, and prevented from working by goon squads, who crush opposition by force.

"(d) The American people are not aroused to the danger of war being forced upon us and finding us unprepared: Now, therefore, be it

"Resolved,

"1. That the national executive committee of the American Legion urges immediate creation of a national defense agency, similar to the War Industries Board of World War No. 1, to be given full authority and responsibility for attaining our national defense objectives.

"2. That an equitable plan be placed in effect to utilize the entire manpower of the country in national defense.

"3. That all strikes in defense industry be outlawed and for so long as the law of this land drafts men into the armed services of our Nation and makes it a disloyal act and criminal offense to desert therefrom that it be made a disloyal act and criminal offense to incite strikes, to foment labor trouble, to strike, or to advocate slow-downs or sit-downs in defense industry or to otherwise willfully obstruct defense production.

"4. That defense industry be drafted if self-interest advantage is placed above the welfare of the Nation.

"5. That prices, wages, and rents be immediately stabilized." (From the National Defense Committee.)

"Whereas the President of the United States in his public addresses has proclaimed the constitutional right of all workmen to seek employment to their best advantage; and

"Whereas such a policy is vitally necessary and essential to the advancement and continuing effectiveness of the program of national defense; and

"Whereas he has further declared that the national defense output cannot be hampered by the selfish obstruction of any small minority of either industrial managers or labor leaders, and also that labor as a whole knows that the small minority is a menace to the

cause of labor itself as well as to the Nation as a whole; and

"Whereas under conditions of war or full emergency there is no constitutional limitation to the power of the Government to protect the paramount public safety and welfare: Now, therefore, be it

"Resolved, That we urge the President of the United States to carry out and to effectively put into operation the policies and purposes hereinbefore enunciated, that he proclaim adequate protection will be given to maintain the uninterrupted and continuous employment of all industry and those employed in industry, to the end there will be maximum efficiency in work and production; and be it further

"Resolved, That Congress provide drastic measures and severe penalties against individuals, management or organizations, who may attempt, directly or indirectly, by any means or device whatsoever, to prevent, impede or slow down production of work in any business or industry engaged in any phase of the national defense program." (From the resolutions subcommittee.)

The following resolutions were adopted at a special meeting of the national defense committee at a special meeting held in Washington, D. C., January 19-21, 1942:

"Whereas winning the war in the shortest possible time requires perfect coordination of all effort, civilian and military; and

"Whereas coordination of effort is dependent for success upon clear definition of responsibility and authority: Now, therefore, be it

"Resolved by the National Defense Committee of the American Legion, That in the protection of property and industry valuable to national defense responsibility and authority should be fixed as follows: The armed forces of the United States should be responsible for offense against the enemy and defense against enemy attack. State governments should be responsible for maintaining law and order within States, the guarding of State property and the establishment of an emergency force to meet and temporarily control unforeseeable crises, dangers, and attacks; and

"That owners of industry and property valuable to winning the war be required under Federal authority and under Federal supervision and control to provide guard service adequate to protect their plants and properties under Federal supervision and direction."

"Whereas the successful prosecution of war requires integration of all forces including manpower necessary to win this war; and

"Whereas such successful prosecution involves not only the manpower of industries, but also the manpower of the armed forces: Therefore be it

"Resolved, That the American Legion, through its national commander, in association with the chairman of the national defense committee, the chairman of the Naval Affairs Committee, and the chairman of the Merchant Marine Committee, of the American Legion, study the problems of manpower in its relation to industry vital to national defense and the armed forces with particular regard to the United States Navy; and the national defense committee herewith grants authority in its name to the above-mentioned group, after such study, to take such steps as in their judgment may best further the total war effort."

The national legislative committee met at Washington, D. C., December 8-9, 1941, and one of its "statements of principles" read as follows:

"The American Legion at its last national convention, also at the November 1941 meeting of its national executive committee expressed its opposition to any interruption of

defense production, either by industrial managers or labor leaders. The committee therefore calls upon the administration to support, and the Congress to immediately enact, legislation which will clearly define both the rights and duties of employer and employee and which will prevent any interruption of defense production."

REPORT OF COMMITTEE ON APPROPRIATIONS FILED DURING RECESS

Under authority of the order of the 3d instant,

Mr. McKELLAR, on April 4, 1942, from the Committee on Appropriations, to which was referred the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, reported it with amendments, and submitted a report (No. 1257) thereon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KILGORE, from the Committee on Military Affairs:

S. 2109. A bill authorizing the Secretary of War to sell and convey to the town of Marmet, W. Va., two tracts of land to be used for municipal purposes; with amendments (Rept. No. 1258).

By Mr. BONE, from the Committee on Patents:

S. 2427. A bill to amend the act relating to preventing the publication of inventions in the national interest, and for other purposes; without amendment (Rept. No. 1259).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 2437. A bill to amend section 9 of the act of August 18, 1941 (Public Law 213, 77th Cong.), by striking out the proviso thereto which requires a monthly report by the Secretary of War to the Congress of the number of men in active training and service; to the Committee on Military Affairs.

(Mr. O'MAHONEY introduced Senate bill 2438, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

AMENDMENT TO SIXTH SUPPLEMENTAL DEFENSE APPROPRIATION BILL

Mr. MEAD submitted an amendment intended to be proposed by him to House bill 6868, the sixth supplemental national defense appropriation bill, 1942, which was ordered to lie on the table and to be printed, as follows:

At the proper place in the bill insert the following:

"That any person engaged in the performance of (1) any contract or order for the government of any country whose defense the President deems vital to the defense of the United States, pursuant to provisions of the act entitled 'An act further to promote the defense of the United States, and for other purposes,' approved March 11, 1941, or (2) any contract or order for the United States, or (3) any subcontract or suborder necessary or appropriate to the fulfillment of any contract or order for any such government or for the United States, who shall discriminate against or in favor of any employee or prospective employee or applicant for employment, because of his race, color, or creed, shall upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment for not exceeding 6 months, or both."

ADDRESSES AND PAPERS OF FRANKLIN D. ROOSEVELT: DEVELOPMENT OF UNITED STATES FOREIGN POLICY

Mr. OVERTON. Mr. President, in making request on March 17 ultimo for the compilation and printing as a public document of certain speeches of the President of the United States on the development of the United States foreign policy, through inadvertence I did not ask that two addresses of the President delivered in 1942 be included in the document. I now ask that the address of January 6 and that of February 23 of this year be included.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY SENATOR BREWSTER TO MAINE REPUBLICAN STATE CONVENTION

Mr. WHITE. Mr. President, the Republicans of the State of Maine recently assembled in convention. That gathering was presided over and was addressed by my distinguished colleague the Senator from Maine [Mr. BREWSTER]. His speech was one of power and persuasiveness. I ask unanimous consent that that speech may be printed in the RECORD, and I commend its reading to all Members of the Senate, especially those across the aisle.

Mr. BARKLEY. Mr. President, in view of the fact that the distinguished junior Senator from Maine is one whom we all respect, and in view of the fact that he conversed with some of us on this side of the aisle with respect to the powerful speech he was going to make before he made it, I am quite sure that we can read it with great advantage and with interest, and that we will be persuaded by it.

While I am on my feet I wish to say that I have also seen a copy of the Republican State platform adopted at the same convention in Maine, and, insofar as it deals with the national problems which now face us, it might well have been written by any well-organized and harmonious Democratic convention.

Mr. WHITE. Mr. President, if the Senator from Kentucky will read the speech and will consider the platform, I think he will agree that the Republicans of Maine have set a mark to which my Democratic colleagues might well aspire.

Mr. BARKLEY. I am happy to express my accord with that statement, and I am happy to congratulate not only the people of Maine but the two outstanding leaders of Maine, the senior and junior Senators from Maine [Mr. WHITE and Mr. BREWSTER], in guiding their convention in such happy channels.

The VICE PRESIDENT. Is there objection to printing the address in the RECORD?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The first political convention in the United States since Pearl Harbor convenes in Maine today. We are at the dawn of a campaign that may well affect the destiny of mankind for centuries.

Maine Republicans are once again privileged to point the way. The trumpet must not give forth an uncertain sound.

At Pearl Harbor the Japanese sank far more than they have yet realized. Down

with our battleships went the partisan differences in America upon which the totalitarians depended to divide and destroy the democracies.

While the Japanese gloat over the tragic consequences of their treachery to our naval and air forces, they miss entirely the militant and united America that is rising from the depths.

Columbus discovered America in 1492. Hitler is due to discover America in 1942.

But the battle is not won. Tough times lie ahead. When Nehemiah was building the wall about Jerusalem, his enemies besought him to come down and talk it over, but Nehemiah was not to be diverted from his task. "Why should I come down to talk with you?" he said. So today there are not lacking those who wish to sit down and talk it over. They do not seem to realize that the time for talk and argument has passed.

One says there is a capitalist making unholy profits out of war. Another points out a laborer asking 8 days' pay for 8 hours' work.

Here is a farmer who demands more than parity, and there a group who refuse to work because of a dislike for a fellow workman.

Another asks why we should fight for the English or the Russians.

These are some of the techniques on which Hitler confidently counts to destroy the "decadent democracies." "Divide and destroy" have been the tactics of the dictator ever since time began.

Europe lies prostrate—except for Stalin's hosts—in tribute to the efficacy of boring from within. Everywhere were found the Quislings who would serve the conqueror's plan.

Only in England and in Russia Hitler's head collided with a stone wall. That stone wall was built of men who deemed the liberty of their country more precious than their lives. In poor downtrodden China the Japanese also collided with a living wall that has for 4 years held back the flood that now in 3 short months has overrun most of the remainder of the Far East. The Chinese have shown the qualities that entitle their nation to live on terms of full equality with the great nations of the earth. But the debate goes on. Our ardent disciple of democracy asks why he should strain himself until some other fellow has ceased to loaf on the job.

The answer is very simple. As far as I am concerned this is my private war with Hitler and Hirohito. The life of our country is at stake. That means the life of every one of us and all that life in America has come to mean.

I hope to find some help here and abroad. The only question asked is our alignment against a common foe.

When our sons line up beside MacArthur in Australia there will be Republicans and Democrats, Catholics, Jews, and Protestants—all mixed up together and no questions asked. In trenches elsewhere fighting the same enemy of mankind will be Russians and Chinese.

No one surrenders his ideas or his ideals by playing on a ball team with some other fellow he may not like.

Our ancestors, of whom we are most proud, were not Tories in 1775, nor copperheads in 1863, nor pro-German in 1918. Nor are we as the trustees of their heritage going to be appeasers or obstructionists in 1942.

After the disciple of division has finished pointing the finger of scorn at those who are not doing their full part, let us see who there is on the other side.

Let us begin with the thousands of American boys who have thrilled the world with their battle on Bataan. They are doing their full part.

Let us count the half million Americans who are roaming the seas and the skies by night and day in sunshine and storm to keep America secure. They are doing their full part.

Let us call the roll of the millions who are in training and are moving to the battle front. They are doing their full part.

Let us turn our thoughts to all the myriad millions on the farms and in the factories who are working patiently and honestly and devotedly to do their part in supplying the food and the tools that are essential in modern war.

We are choosing up sides. I choose to stand with MacArthur. At each crisis in American history a Divine Providence has given us a man. Out of the fox holes of Bataan and the caves of Corregidor MacArthur has emerged to capture and consolidate the confidence of a collapsing world.

But finally the disciple of dissent asks: "What about this man Roosevelt?" Some are apparently quite persuaded that his works are of the devil.

Time does not permit to argue this proposition, but, in justice to ourselves, let us look at the record.

War found this Nation more nearly adequately prepared than any previous war in our history.

Within 1 month Donald Nelson was installed as production czar. In the last war it took more than a year to accomplish this most essential step.

Within 3 months Douglas MacArthur was given supreme command of all our forces in our most critical theater of war and the whole world rang with cheers.

Certainly these things warrant confidence that the President as Commander in Chief of our armies and Navy and Air Force is moving to consolidate American might for complete, utter, and final military victory.

Let us get on with the job. What can each one of us do? Each may save and serve.

Everything one goes without releases material and manpower to help the fighting front.

Conceive of the power of an America absolutely devoted to a victorious offensive. Picture 130,000,000 Americans thinking in terms of giving rather than getting.

Suppose every man, woman, and child in America asked themselves each morning "What can I do today to help?" "What can I go without to relieve a little the strain on our farms and factories and transportation?"

Saving everything possible and putting our savings into Victory bonds will mobilize the might of America into an irresistible force.

Every day in every way let each do what he can.

Meanwhile in Washington more and more Members of Congress are coming to realize that the country is far ahead of the Congress in recognition of the peril with which we are faced.

We must not lose Australia. MacArthur is a guaranty that the utmost will be made of everything we send. It is up to us here to see that nothing impedes the flow.

More ships, more planes, more guns, more tanks in order that American boys may fight on an equality with the yellow men of the East. Then we shall not need to doubt the issue. This means, however, today—not tomorrow.

In the flames of Pearl Harbor we catch the gleam of the eyes of the denizens of darkened Asia and Europe. Behind them we catch a glimmer of the millions who have been enslaved.

America goes forth once more in a great crusade in the cause of human freedom.

The issue cannot be in doubt. Partisan differences perished in the fires of Pearl Harbor. All became Americans dedicated to a common and an assured victory.

Maine Republicans in this northeastern bastion may well send ringing across the country their message of courage and confidence and unfaltering devotion to America and all it means.

Mr. BREWSTER subsequently said: Mr. President, I was called from the

Chamber when the senior Senator from Maine [Mr. WHITE] spoke, and during the colloquy which he had with the majority leader. I ask unanimous consent to have printed in the RECORD immediately following the matter which the senior Senator from Maine had printed in the RECORD, the resolutions adopted as a Republican platform at the Republican State convention in Maine over which I presided, calling attention to their pledge of wholehearted support to the President in a vigorous and efficient prosecution of the war. In the first political convention in the coming campaign we inaugurated what may be a unique feature. We invited the postmaster of Portland, Mrs. Helen C. Donahue, who happens to be a very distinguished citizen, and who before Pearl Harbor was considered a Democrat, to set up a booth on the floor of the Republican State convention for the sale of Defense bonds. During the 2 days of that convention the members of the convention bought more than \$32,000 worth of Defense bonds showing in substantial measure the wholehearted support of this effort by the people of Maine.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Republicans of Maine assembled in convention, which is a vital part of the American form of government for which our Nation is now fighting, adopt the following statement of principles:

The paramount duty of every American citizen is to take his full part in bringing about a decisive and complete military victory. In attaining this result, party politics, as such, have no place.

The Republican party of Maine pledges its wholehearted support to the President in a vigorous and efficient prosecution of the war.

We urge upon the Congress that proper measures be taken, so far as consistent with an ultimate and speedy victory, to reduce to a minimum expenditures for nonwar purposes and to eliminate at once all nonessential governmental activities, to insure a just and fair distribution of the burdens of war, to make certain that no one profits unduly from the war, to impose rigid restraints on inflation, and to assure preservation of the constitutional guaranties vouchsafed in the Bill of Rights.

We commend the sound, economical, and responsive administration of our State's business under the leadership of Governor Sewall.

We heartily endorse the action of Governor Sewall and the legislature in their prompt building up of military and civilian defense, in the enactment of liberal legislation, in keeping expenditures entirely within appropriations, and in effecting substantial economies without curtailment of essential services.

We pledge continued efforts by a Republican Governor and legislature toward further progressive legislation and further economies wherever possible without crippling essential services by the State, and toward increased efficiency in the operation of all State departments.

We advocate a whole-souled continuance by our citizens of that heritage of faith, fortitude, and simplicity of life which have made this State outstanding in the councils of the Nation.

ADDRESS BY JUSTICE A. L. ZINN ON THE JAPANESE PROBLEM IN NEW MEXICO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "The Japanese Problem in New Mexico," delivered by Justice A. L.

Zinn, of the New Mexico Supreme Court, which appears in the Appendix.]

REMINDER OF RELIGIOUS OBLIGATIONS BY REV. ALBERT RHETT STUART, D. D.

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a statement on the subject of religious obligations, presented on Easter Sunday by Rev. Albert Rhett Stuart, D. D., rector of St. Michael's Church, Charleston, S. C., which appears in the Appendix.]

SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The VICE PRESIDENT. The clerk will read the bill for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

DECORATIONS FOR OUTSTANDING CONDUCT OR SERVICE BY MEMBERS OF AMERICAN MERCHANT MARINE

Mr. RADCLIFFE. Mr. President, will the Senator from Tennessee yield in order that I may ask unanimous consent for the consideration of Calendar No. 1295, House Joint Resolution 263, to provide decorations for outstanding conduct or service by persons serving in the American merchant marine?

Mr. McKELLAR. I yield, provided the joint resolution will not require extended debate.

The VICE PRESIDENT. The clerk will report the joint resolution by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 263) to provide decorations for outstanding conduct or service by persons serving in the American merchant marine.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McNARY. Mr. President, I am familiar with the joint resolution, and I have no objection.

There being no objection, the Senate proceeded to consider the joint resolution, which is as follows:

Resolved, etc., That the United States Maritime Commission is hereby authorized and directed, under such rules and regulations as it may prescribe, to provide and award a medal of such material and design and with such devices and inscriptions as the Commission may deem suitable to each person who in the American merchant marine, on or after September 3, 1939, has distinguished himself or during the war distinguishes himself by outstanding conduct or service in the line of duty. Such medals shall be presented with appropriate ceremony as specified by the Commission.

SEC. 2. There may be issued with each medal a rosette or other device to be worn

in lieu of the medal. Not more than one medal shall be issued hereunder to any person, but for each succeeding instance sufficient to justify the award of a medal to such person the Commission may award a suitable bar or other emblem or insignia to be worn with the medal and the corresponding rosette or other device. In case any person who so distinguishes himself as to justify the award of a medal or decoration hereunder dies before the award can be made to him, the award may be made and the medal or decoration presented such representative of the deceased as the Commission deems proper.

Mr. RADCLIFFE. Mr. President, this joint resolution authorizes the Maritime Commission to award a medal to each person in the American merchant marine who, on or any time after September 3, 1939, has distinguished himself by outstanding conduct or service in the line of duty. There is also a provision for the issuance of a rosette or other device which can be worn in lieu of the medal. Not more than one medal can be issued to any one person, but after the presentation of the medal the recipient may from time to time for later outstanding service or services receive from the Commission suitable bars or other emblems or insignia to be worn with the medal. In the event the hero has died before the medal is presented, the presentation would be made to his family.

Similar medals are presented in the Army and the Navy, and in view of the nature of service rendered by the officers and seamen of the merchant marine and the hazards to which they are subjected, it is certainly reasonable that such recognition should be accorded to them. At present no such award is made, although it is possible for a sailor to receive a life-saving medal from the Secretary of the Treasury, and, of course, there are certain private associations which make awards for heroism at sea.

After the end of the World War—that is, in December 1920—an act was passed which authorized the award of medals for extraordinary heroism or distinguished service in the line of duty for members of the merchant marine. That act, however was passed 2 years after the war was over, and apparently no such awards were actually made.

One of the most successful, brilliant chapters in the history of the present war is the magnificent record of the officers and seamen of our merchant marine. Certainly the recognition which this resolution would call for is a most suitable and worthy one.

In this connection, Mr. President, I desire to read a brief editorial from the Baltimore Sun of April 2, 1942. The editorial is entitled "Honor Alone Is Payment for Courage," and reads as follows:

Senator RADCLIFFE joins those who support the principle of the bill authorizing the Government to award official medals to sailors of the merchant marine who distinguish themselves by heroic conduct in the presence of the enemy. It is gratifying to learn that the Senator approves the object of the bill. He should, for it is no more than recognition of the plain fact that a man who does more than his duty under fire is a brave man, whatever uniform he wears.

The men who sail the ships that carry supplies for us and our Allies are doing as much to beat the enemy as the men who point the guns on our warships. This was always true;

but in the old days, when international law still commanded respect, the job of the merchant sailors was safer than that of the crews of the men-o'-war, so it was no more than right for the honors to be reserved for the men who took the greater risk.

But since the submarines have begun to fire without warning, the lives of the sailors of the merchant marine are imperiled no less than those of Navy men. It has always been recognized that courage cannot be paid for with money; the only adequate compensation for courage is honor, and a brave man is entitled to that sort of payment, no matter to what service he belongs. It is to be hoped that Congress will recognize this obligation and arrange for its discharge.

Certainly it can be said of the officers and sailors in our merchant marine that their hearts are always eager, their hands ready for the work.

The VICE PRESIDENT. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

INVESTIGATION OF PRIMARIES AND ELECTIONS—SENATORIAL CAMPAIGN EXPENDITURES

Mr. LUCAS. Mr. President, will the Senator from Tennessee yield for the purpose of requesting consideration for Senate Resolution 235, which was reported from the Committee on Privileges and Elections on Friday last? I think it will take only a few moments.

Mr. McKELLAR. If it will take only a brief time, I shall yield.

Mr. LUCAS. It will not take very long, I will say to the Senator from Tennessee. I desire, however, to make a brief explanation, as it is a rather important matter.

Mr. McKELLAR. I yield to the Senator from Illinois.

Mr. LUCAS. Senate Resolution 235 was reported from the Committee on Privileges and Elections last Friday and was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. From that committee, I report the resolution back favorably without amendment.

In making this report, I should like to invite the attention of the Senate to the fact that section 2 of the resolution is much broader in its scope than was a similar provision in the resolution reported by the committee and adopted by the Senate in 1940.

Furthermore, I invite the attention of the Senate to section 5 of the resolution, which authorizes the committee, or any subcommittee thereof, to appoint one or more persons on behalf of the committee to conduct investigations in the various States dealing with the general election of 1942, as well as the primaries. I invite the attention of the Senate to this provision merely for the purpose of saying that this resolution contains a provision which will permit the committee to appoint investigators similar to those appointed in the recent case involving the Senator from North Dakota [Mr. LANGER]. There was so much criticism, both direct and by implication, as to what the investigators did in that particular case that before the Senate acts

upon this very important measure, dealing with all the elections in the various States in 1942, I think the Senate should hesitate and pause, at least for a moment, before they accept the resolution in the form in which it is now presented. In other words, we may have the same situation again in connection with the investigators which arose in the case of the Senator from North Dakota. I want merely to place the Senate on notice as to the type of resolution that has come from the Committee on Privileges and Elections, in order that the committee which may be appointed by the Vice President of the United States under the resolution will not have to suffer the same amount of condemnation which the Committee on Privileges and Elections suffered as a result of the investigators appointed by it in the Langer case.

Mr. McNARY. Mr. President, I am much attracted by the remarks of the able Senator from Illinois. I, too, desire to have time to study the provision upon which he has made comment. The resolution has not reached the calendar, as I understand?

Mr. LUCAS. The resolution has not reached the calendar. It has, however, been reported by the Committee on Privileges and Elections, and I have just now reported it from the Committee to Audit and Control the Contingent Expenses of the Senate. I desired to ask for the immediate consideration of the resolution, but its importance is such that I wanted to call the attention of the Senate to the points I have suggested before making the request.

Mr. McNARY. I always like to accommodate the able Senator, and I hope he understands, but I should have to object to the immediate consideration of the resolution today, if he has that in mind.

Mr. LUCAS. I appreciate the reason for the objection of the Senator from Oregon, and, if it is proper, I should like to have the resolution go to the calendar for further study and consideration.

Mr. BARKLEY. Mr. President, I merely wanted to observe that the resolution itself, by its language, goes further than previous resolutions have gone. It does not go any further than committees have gone that have been appointed to carry out this function of investigation. I do not know how long, but I know for a number of years it has been customary for the committee appointed by the Vice President to send investigators into the States to make what they call "an investigation," and report back to the full committee for such action as the committee may desire to take. Whether they had any authority to do that, may be open to question, and it may be questionable whether some individual person may wisely or properly be sent into a State to carry on an ex parte investigation where nobody on either side of the controversy or the contest for a Senatorship has any knowledge of or any opportunity to examine anybody or even the examiner himself. So it is a matter that ought to have the careful consideration of the Senate, and I think the resolution ought to go over so as to give an opportunity to

the Senate to study the broad authority given in the resolution itself.

Mr. LUCAS. I thank the able Senator from Kentucky for his contribution.

The VICE PRESIDENT. Without objection, the report will be received and the resolution placed on the calendar.

ADDITIONAL REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM (PT. 6 OF REPT. NO. 430)

Mr. KILGORE. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, on behalf of the Special Committee to Investigate the National Defense Program, I wish to file an additional report, made up by two subcommittees after a trip of investigation and inspection of shipbuilding, the light metals, and the aircraft industry in the West. The report goes into all these phases, both from testimony and from personal observation in the plants.

I believe this report is opportune at this time, as it is in part an answer to many statements which are being made on the streets and in the press with reference to slow-downs—in other words, with reference to deliberate slowdowns in defense industry, sometimes charged to management, sometimes charged to labor.

We first investigated the light-metals industry on the Pacific coast, taking testimony in Spokane and also at Las Vegas, Nev. It developed that there really are three processes on the west coast, none of which the subcommittee felt had been fully proven processes, but which the subcommittee also felt should be gone into more fully than they have been up to the present time, in at least two phases, notably the Doerner process and the Hangira process. The Hangira process has a plant practically completed capable of large production, and it is the opinion of the committee that our light-metals division should go into that and into the present high charges for magnesium, and allow them to demonstrate, by buying their product at cost, as they have offered, without cost to the Government, the desirability of the erection of a plant.

The Doerner process, we believe, is similar, and it is our opinion that there should be a plant built to test that process instead of spending so much money on the I. G. Farben process.

The Senator from Nevada [Mr. BUNKER] last week submitted a part of this report, with reference to the I. G. Farben process, at Las Vegas, Nev., and the subcommittee joined with the Senator from Nevada in his comment on the fact that "know how" is costing the Government entirely too much there. In fact, we felt that, as used there, those were about the most expensive two words we had not met any place.

There developed one thing the Senator from Nevada did not bring out, namely, that the English company operating in Las Vegas, which, in conjunction with an American company, is building a \$70,000,000 plant, does not even have a license to manufacture magnesium in the United States. It has a license in England, but

the process there used is patented in the United States by an American company owned by I. G. Farben, and it has not even a license as yet. I think the whole matter should be thoroughly investigated before any greater sums of money are committed, particularly before any \$1-a-ton lease is signed for getting magnesite out of ground which was but recently public domain.

Another item the report covers is the question of slow-down in the aircraft industry. When we went to the Pacific coast we were met with the charge that management was deliberately slowing down aircraft production. A thorough investigation in the plants on the coast convinced us, and would convince any other Member of the Senate, that there is no deliberate slowdown of any kind. Those plants are up to production schedule, and I think the people of the United States can feel confident as to production of airplanes.

There is only one problem; that is, that in making the over-all planning, the original planners of the defense program failed to take into account the fact that an airplane factory is an assembly factory. They endeavor to build up an airplane production program based on giving huge contracts to an assembly plant. They made no provision for building up the thousands of small plants which will make the parts. Those plants are not on a cost-plus basis. It is a gamble with them as to whether the increased orders will make worth while the expansion of their plants or their production.

The only slow-down we find is not a slow-down in the production schedule, and it is our belief, and we so report, that the production could be increased by synchronizing the thousands of small-parts plants which are furnishing parts for the production.

We also investigated the shipyards on the Pacific coast, against which the same charge—that is, of slowdown—has been lodged. We found 10,000-ton steel freighters being built in 105 days, complete, which was 45 days less than the original schedule. Observation showed no slowdown, either deliberate or unintentional. The shipyards do fear possible shortage of steel, which is practically the only thing they feel may cause a slowdown in ship production on the coast. That is another part of the program which is functioning satisfactorily on the west coast. We must, however, keep up with them in boilers, engines, and steel.

While we were on the coast we also investigated the question of capital and labor disputes. Apparently everything was working satisfactorily between capital and labor. Only one question was taken up. One plant manager said that if he could bring about an agreement eliminating jurisdictional disputes and enabling him to hire men from various unions in proportion to the normal need in the shipyards, with permission to work them on anything which was most advantageous, he thought he could speed up production. That was the only substantial suggestion made.

The 40-hour week was working satisfactorily on the coast, where there was 7-day production, 24 hours a day.

Mr. President, these were the high points in the report to which I desired to call the attention of the Senate.

I also think that a careful perusal of the results would in large part tend to allay the fears and the feeling which appears to be prevalent concerning slowdowns, which arise to a large extent, we found, from statements of irresponsible people.

As to the question of the defense of the Pacific coast, the committee took occasion to investigate that matter. There has been much discussion of unity of command. There is not unity of command on the Pacific coast, but there is unity of information, and the committee found that there is cooperation between the Army and the Navy. I think the Pacific coast is well defended and comes as close to unity of command as it can come with the present statutory set-up of our defense departments.

Mr. LUCAS. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield?

Mr. McKELLAR. Has the Senator from West Virginia concluded?

Mr. KILGORE. I have finished.

Mr. LUCAS. I should like to ask the Senator from West Virginia one question, if I may.

Mr. McKELLAR. I yield.

Mr. LUCAS. As I understand, the Senator from West Virginia is a member of the Truman committee, and was one of the subcommittee which recently went to the Pacific coast to investigate the airplane industry.

Mr. KILGORE. The Senator is correct.

Mr. LUCAS. My attention was attracted to a speech made over the radio by Donald Nelson, Chairman of the War Production Board. In the speech he took direct issue with the Truman committee upon certain facts and as to certain findings made by the subcommittee visiting the coast. His statement was contrary to what the Senator's committee found. It is rather difficult to square the two reports and reach an intelligent decision as to who is right.

Mr. KILGORE. I have not read the speech in question, but I had a conference with Mr. Nelson's assistant on aviation, a gentleman by the name of Locke, I think. The only point on which he took issue was the recommendation made by the committee that there was needed an over-all production man on aviation. Mr. Nelson's assistant stated to me that they had been trying to get such a man, but had been unable to procure one. The only recommendation we made respecting higher production was that they put in an over-all production expert, drafted from aviation, to look after the building up of the parts production, to enable them to complete their planes.

He states that they are up to their production schedule. They said to us that they could increase production schedules approximately 40 percent and produce

more with existing plants if they could get the parts. At one plant we saw 117 planes on the line, just lacking one or two parts.

Mr. LUCAS. Mr. President, I have a tremendous amount of respect for the distinguished chairman of the Truman committee; in fact, that can be said for all the members of the committee. I know they have done constructive work in their long investigations. But when I read in the Times-Herald this morning an article by Frank C. Waldrop entitled "Are We Getting Planes?" which is so in conflict with what the committee report is as to what is being done in the airplane factories on the Pacific coast, it does seem to me that the matter should be cleared up in some way. May I respectfully suggest that some of these men be called before the committee, if that has not been done. An explanation of the article in this morning's newspaper is undoubtedly in order. Perhaps the Senator has not seen the article.

Mr. KILGORE. I have not seen it this morning.

Mr. LUCAS. It is a very disappointing article.

Mr. KILGORE. I think the article is overdisappointing. We took up the question of the schedule of production furnished these plants by the War Production Board, and found they were up to schedule. If the War Production Board is not giving them a fast enough schedule, we could not check that.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I ask unanimous consent that there be printed in the RECORD at this point, so that it may appear along with the discussion which has just taken place, a speech made by Mr. Donald Nelson, chairman of the War Production Board, and broadcast over the radio, at a banquet of the Military Order of the World War, held in New York Saturday night.

The VICE PRESIDENT. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy to be here tonight to take my part in this observance of Army Day.

We Americans these days realize as never before how much we owe to our Army. All that we have now and all that we hope to have in the future depends, in the last analysis, upon the courage and devotion of the individual soldier and upon the skill and efficiency of the Army as a whole. The magnificent record of what our soldiers are doing in the Far East is making one of the finest chapters in the long history of the American Army. It is something for all of us at home to be proud of; more important, it is something for all of us to live up to.

That last point is important. Any army, and ours most of all, is a cross section of the Nation. In our fighting forces today men of all races and all nations are serving as comrades in the common cause. In the Philippines, for example, Chinese soldiers are fighting in our ranks, and the splendid record of the Jose Rizal regiment of Filipino soldiers in General Wainwright's army has earned the highest praise.

In the long run the Army is what the country is; it reflects the country's virtues, and it is hampered by the country's faults. We know its morale is influenced by our own. We are part of the equation. Our fate is up to the Army—but we ourselves set the limits within which the Army can operate.

So we cannot appraise our situation on Army Day of 1942 without at the same time appraising the job which we at home have been doing. We have no doubts whatever about the way our men in the field are delivering; we know perfectly well that what they do will be beyond praise. It is probable that some dark months lie just ahead of us. We can face those months with complete confidence if we can satisfy ourselves that the job at home is going to be done as well as it needs to be done.

I should like to talk about this job at home with some detail. It is the biggest job, bar none, that this or any other country ever tackled at any time in history. It is so huge that we can break every record we ever made and still fall short of the need. What we have done so far would be an amazing achievement if it did not have to be measured against an absolute emergency.

Consider the situation as it existed in the early summer of 1940, when the President called the National Defense Advisory Commission into being.

All in all, we had no munitions industry worthy of the name—and we were just beginning to understand that what we had to do was create the greatest munitions industry on earth and get it into full swing in the shortest possible space of time.

Nor is that all. The job kept on growing. The size of the thing we had to do kept increasing faster than our own program for handling it. In that far-away June of 1940, we were getting in shape to spend \$4,000,000,000 in 2 years; the program has mushroomed so rapidly that this year we are spending fifty billions, with seventy more to be spent next year. And as the size of the job kept increasing, the nature of the job kept changing due to changes in the world strategic picture. Nothing can stay fixed anywhere in war.

When you look back, I am sure you will agree that we set out to do the impossible. We have not yet done the impossible—but we are doing it. The achievements this Nation has recorded during the last twenty-odd months are as remarkable as anything in our history. We cannot be satisfied, because the sky is the limit; but do not let the fact that we are not satisfied delude you into the feeling that nothing much has been accomplished.

Let's look at a few of these achievements for a moment:

The Army Ordnance Department is today doing four times as much business as it did at the peak of the first World War. By "four times as much business" I, of course, mean that it is handling four times the volume of orders for military goods. The fruits of this increase can be seen in action. I would like to remark that the Garand rifle was just getting into production in the summer of 1940, when the Springfield arsenal was turning out 250 a day. Within a year that production had been put up to more than 1,000 a day; it has continued to increase, until today there is a Garand for everyone of our combat soldiers who is supposed to have one. And the point is that the Garand is the best military rifle on earth. A platoon of infantrymen armed with Garand rifles has three times the fire power of a platoon armed with Springfields.

Furthermore, this new weapon has proved that it will stand up under the hardest of usage. General MacArthur's reports have shown that on Bataan Peninsula this gun has met every test, in some cases being used

constantly for a week without cleaning or lubrication.

I don't propose to indulge in a recital of dry statistics here. Yet it is worth while to point out that when we entered this war we had 10 modern factories turning out machine guns. Four new plants to manufacture high explosives were in operation at the time of Pearl Harbor, as were two huge smokeless-powder plants. Frankford Arsenal, virtually our sole source of supply for small-arms ammunition when the first World War began, is today turning out more cartridges each month than it made in all of 1918—and two other huge small-arms ammunition plants are also in operation, with more on the way. I have chosen these examples more or less at random to show that the Army has to its credit striking records of accomplishment on the home front as well as in the field.

The record is even more striking in the field of aviation.

Begin your consideration of the airplane picture by realizing that the airplane-production program adopted after Pearl Harbor was presumed by practically everyone to be bigger than could possibly be attained. It was an "impossible" program if there ever was one. We met our schedules in January, and we made 23 percent more planes than we had made in December. We exceeded our schedules in February, which, of course, called for an increase over January. In March again we met the schedule, which increases in line with the President's objective.

Remember, too, that meeting those schedules involves infinitely more than just making a lot of airplanes. The strategic picture changes constantly; as it changes, the numbers of the different kinds of planes you need change, which, in turn, may easily mean a doubling or tripling of the demand for certain component parts, even though the total over-all number of planes you are going to make remains the same. For example, a little time ago it became necessary to put much greater emphasis on the long-range four-engine bomber. That, obviously, meant a much heavier demand for airplane motors and superchargers. That, in turn, meant a temporary reduction in the number of motors that could be supplied to certain manufacturers of single-motored and twin-motored planes. In a few cases that caused those manufacturers to cut their operating schedules to 5 days per week. And that, unfortunately, led a number of people to conclude that either the workers or the management in those plants were at fault. The fact was, of course, that those reduced operating schedules were not the fault of either the workers or the executives in the plants concerned.

And while we are on the subject of airplanes, I would like to say a word or two about the quality of the product that is being made. Our planes have turned in outstanding performance records all over the world—in the Far East, in North Africa with the British, and on all other battle fronts. For example, over Bali late in February a formation of 16 Curtiss P-40's attacked greatly superior numbers of Japanese planes and shot down 30 of the enemy. Only 2 of our planes were lost. A similar number of P-40's over Soerabaya a day or so later tangled with 2 Jap fighters and 25 Jap bombers. We lost 1 plane; the Japs lost 1 fighter and 5 bombers. American volunteer flyers flying P-40's for the Chinese Army in Burma have shot down between 200 and 300 Jap planes, getting 41 in 2 successive days in February.

American planes used by the British in the Near East have made equally impressive records. One group of 18 Kittyhawks—as the British have named their latest P-40 fighter—took on more than 30 Axis dive bombers and fighters over Libya, shooting down 20 of the enemy without losing one of their own number.

Our heavy bombers are doing equally well. Off New Guinea last month, for instance, a flight of five B-17's attacked a Jap naval concentration. Returning, they were jumped by a formation of Jap fighter planes. They successfully fought off that attack, downing five Jap fighters without a loss to themselves.

It would be possible to go on in that vein almost indefinitely, but I have said enough. I am sure to indicate that every American can be proud, not only of the heroic men who are flying those planes, but also of the men in the Army and in our aviation industry who designed and built them.

And in that connection let me take advantage of this opportunity to pay my own tribute to those devoted men in the Army to whose patient and unrecognized efforts during the last 20 years much of the excellence of our modern equipment is due.

Shortly after the last war ended the Ordnance Department was assigned the task of studying all our basic combat equipment in the light of lessons learned in 1917 and 1918 and was instructed to work out new designs wherever such were necessary. Ordnance officers accordingly undertook this large-scale program, which—due to the great increase in the strength of defensive weapons in the last war—was in essence a program to recapture the offensive. Through many peacetime years, unnoticed by the general public and hampered by lack of sufficient funds, these men kept on with this job. Concurrently the same sort of research went forward in the Signal Corps, the Air Corps, and other arms. We are now reaping the benefits of those long years of labor. That the weapons now being produced are such excellent ones is largely due to the work that was done between 1920 and 1940.

To return to our present production program:

We are ahead of schedule on tank production. Our production of merchant shipping is rising rapidly; we should meet this year's schedule. The same is true of our production of antiaircraft and antitank guns. America's industrial plant is really beginning to roll. A new era of management-labor cooperation is developing, which will prove of immense value to the entire Nation.

Yet this is no time for easy optimism. Measured by any ordinary standard, this Nation has done extremely well, but we aren't measuring by ordinary standards any more. Instead, we are measuring our performance against the greatest emergency the country has ever faced. What would be a superlative performance at any other time could easily turn out to be short of the goal we must reach. It has been said often, but we must continue to say it: No matter how well we are doing, we must do even better. One gun, 1 plane, 1 tank, or 1 ship finished this spring may be worth 10 finished a year from now.

So as we look at the future to see how we may fare during the stormy months just ahead, our confidence in this home front can arise only from the conviction that a people who have done as well as the American people have done in the last few months can do even better from now on. We face enormous problems, and it will take the best brains and the best efforts we have to solve them.

Chief of these problems is the old, old problem of materials. To meet our military demands we must provide enormous quantities of the basic metals and of fabricated and semifinished parts. In many cases the different parts of our production program set up competing demands for these things, so that we face not simply a problem of increasing the supply, but of balancing the division of what we have among a large number of competing demands. That problem of balance runs all through the picture. It exists in everything from basic metals like nickel to finished component parts like airplane motors.

Indeed, our entire airplane-production program is largely a matter of balance—of weighing requirements against each other, of eliminating bottlenecks and of smoothing out the flow of parts and materials. This is a problem which is entirely possible to solve—I am convinced that it is being solved—but it is exceedingly complicated.

A factory which makes airplanes, for instance, may draw all of its various parts from scores of different factories. The same may be true of many of the factories which supply these parts. If you drew a chart to show the flow of all the parts that go into a single big bomber you would have a regular spider web—and if any single thread anywhere in that network is broken, the production of the finished airplane is delayed. Consequently, increasing the speed of airplane production is by no means a simple matter. You can't just go into the factory that turns out the finished plane, do a job there, and walk off content. You have to go into the plants that make the castings and forgings, into the engine plants, into the plants that make the electrical equipment, into the gun factories; you have to look into the production of gun mounts, superchargers, and bomb sights; you have to go back to the copper, the aluminum, the bauxite, and all the other things. All along this involved and complicated line you have to regulate the flow, the tempo, so that in the end you may be able to speed the movement of completed airplanes from the final assembly line.

This problem is most acute and obvious in the production of airplanes. But it exists in greater or lesser degree throughout our whole war-production program. Each part of the program interlocks somewhere with another part. Whenever the demand for one particular item increases, there is an immediate effect on the production of half a dozen or more entirely different items.

So it is easy to see why this enormous war program of ours is having such a marked effect on ordinary civilian production. Even if it were not possible to make any military goods whatever in civilian factories, we should nevertheless be obliged to proceed with drastic orders curtailing civilian production. The materials to make war goods and civilian goods simply do not exist.

Yet shortages of materials are not the only shortages that stand in our way. To an increasing degree, we are encountering shortages of fabricating and processing facilities—which, in turn, is another compelling reason for the conversion to war production of civilian manufacturing plants. We don't have time to make the new machines, build the new factories, and train the new workers for all of our war production. An increasing part of this load has to be borne by our existing facilities. Thus both the need for materials and the need for factories are compelling us to cut deeper into the civilian economy. During the past month we have ordered many large industries to get entirely out of civilian production so that they can handle war orders. This process will go deeper and deeper; and it must go constantly faster and faster.

Here again, the problem is not a simple one. You can't simply turn a switch—or sign an order—and get a whole chain of factories out of one kind of production and into another. It is necessary to find precisely what sort of military goods the factories in question are capable of producing, and to gear those possibilities into your current schedule of requirements. This involves careful studies of equipment, of the tolerances of machines, and so on; frequently it calls for a complete retooling. Each conversion job is a problem in itself, and no two are quite alike.

This recital of the problems ahead of us is given you in order that you may understand why this business of increasing war production does not always seem to move as rapidly

as we would like. Yet all of these problems are problems which can be solved. There is no insuperable obstacle in our way. If it were not for the time factor we could be extremely optimistic about the entire program.

But the time is short. Never were we under such pressure to do a big job quickly. Because the pressure is so great, our immediate success—our ability to get out more war goods now, instead of a few months from now—depends in no small measure on the willingness of executives and workers in our war plants to make the job a matter of individual, personal responsibility. We are calling on all of the people who have places in our war-production lines for that added bit of personal effort that can spell the difference between success and failure. We recently launched a Nation-wide production drive, the basic aim of which is to enlist enthusiastic and cooperative support all up and down the line. The response to this has been highly encouraging. It has made me feel that this Nation will meet the challenge, not only over the long pull, but also from the short-range viewpoint. We know we can win if we have the time. In this production drive we are undertaking to snatch a little extra time by making each minute and each day count double. Our success in meeting the demands we face during the critical weeks and months just ahead will depend largely on the extra effort which workers and management now on the job are able to put forth. From every indication, that extra effort will be forthcoming.

No man can be an undiluted optimist these days. Yet I firmly believe that no American who sees the whole picture need give way to dark pessimism either. Our fighting men have proven on bloody fields that the valor and endurance of American manhood are as magnificent today as they ever were. They have shown that if we at home give them just a 50-50 chance, by providing them with the weapons and the support they need, they will do the rest.

Speaking for the millions of men and women engaged on the home front in the great job of providing those weapons and that support, I want to say this to our fighting men everywhere:

You have given us hope and courage. We will live up to the ideal you have set for us. We know what your need is: we are going to move ahead and meet that need in spite of any and all obstacles. We will not let you down.

Mr. WALLGREN. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. WALLGREN. I wish to thank the Senator from West Virginia [Mr. KILGORE] for his report of our investigation on the west coast. He touched lightly on magnesium, a metal which I believe is going to be the magic metal of the future. It is difficult for some persons to realize that our program calls for 725,000,000 pounds of magnesium to be made this year. Up to now we have never in this country manufactured more than 33,000,000 pounds in any 1 year, and that has been manufactured by the Dow Chemical Co., using salt-water brine.

As we visited various places on the west coast the testimony proved to us that there was any amount of the necessary ores for the manufacture of magnesium. We have made a considerable study of the magnesium problems, and the subcommittee intends to continue to carry on that study.

Mr. President, I should like Senators to spend a little time in checking over the short report which has been sub-

mitted by our subcommittee, because I think it will enlighten them with respect to what we have tried to do in assisting in the manufacture of magnesium, which is such an important metal at the present time. Until lately magnesium has been used in this country only for the manufacture of incendiary bombs and flares, but today the aircraft manufacturers in the West tell us that they will use as much magnesium as they can possibly obtain.

Magnesium is one-third lighter than aluminum, and in every respect the airplane industry seems to feel that it is the important metal, and it seems that Germany has far surpassed anything we have ever tried to do in making full use of this very unusual metal.

At some later time I hope to go into this subject a little further. While I do not happen to be a metallurgist, I think we might be able to enlighten many Members of the Senate as to just what this particular tricky metal is.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Let me ask the Senator from West Virginia [Mr. KILGORE] or the Senator from Washington [Mr. WALLGREN] a question while we are on the subject of the report which has just been submitted. A few days ago I read an article in a newspaper in which it was stated that the subcommittee in its report to the full committee had made the statement that in the aviation industry and in the shipbuilding industry, which they also investigated, I believe, all the employers of labor in those two industries whom they interviewed, with one exception, made the statement that they did not believe that any change in the 40-hour-week arrangement would be advantageous to industry. Did the newspaper article correctly report the committee, and is that shown in the report?

Mr. WALLGREN. Mr. President, that is shown in the report, and it is correct.

Mr. BARKLEY. I do not wish to discuss the matter. I simply wished to ask if that statement is contained in the report of the subcommittee.

Mr. BALL. Mr. President, I was a member of the subcommittee whose report the Senator from West Virginia [Mr. KILGORE] has just presented, and I should like to refer briefly to the point raised by the Senator from Kentucky [Mr. BARKLEY]. It is not quite true that all the employers except one told us that lengthening the workweek would not help production. We inquired of the employers. We made it a point at every plant we visited to go over with the employers and the executives their labor-relations problems, and only 1 out of perhaps 60 or 80 executives with whom we talked about the subject suggested to us that lengthening the workweek would help production. He happened to be an executive in the one plant we visited where it was obvious to us that the labor-relations picture was not good.

One thing struck me in our visit to these plants and in the general public attitude as we were able to ascertain it on the west coast. Censorship in wartime is always a difficult problem to handle, but it certainly is true on the

Pacific coast that the lack of accurate, authentic information on our production picture put out by responsible Government agencies has produced a fertile field for rumors and that, in the absence of authentic information, all kinds of stories about production slow-downs by management and by labor were going the rounds on the west coast.

I realize that the War Production Board and the service departments are confronted with a tough problem, but if it were at all possible, without giving valuable information to the enemy, to afford the American people more authentic information on just what we are producing, I think it would greatly help to improve public morale and confidence in this effort.

One other thing that impressed me was that the War Production Board and other agencies have been asking the public on the radio and through the press day after day to work harder and to increase production. It is a generalized demand. We found in every plant we visited that management and labor are willing and anxious to do everything they can to increase production, but that all too often a shortage in some critical part or material is preventing them from doing it. That certainly was true in the aircraft industry. Instead of making generalized pleas for more production, which tend to upset the public but do not direct the enthusiasm and energy which is aroused into any specific channel, perhaps it would be better for our Government agencies to concentrate on increasing production in those bottlenecks—there are not so very many of them—which are really holding up top-speed production on the big assembly lines.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I hesitate to take any more time, but I wish to comment for just a moment on the remarks made by the Senator from Minnesota [Mr. BALL], with which I in the main concur. I realize, as I think we all realize, that when the people do not know what the situation is most anyone who comes along and tells them what it is can "get away with it," because he pretends to know, and they have no evidence to counteract what he thinks. I know that has been responsible very largely for the doubt and confusion which have existed and which now exist to a greater or less degree in the minds of all our people as to just how we are getting along in the way of production.

For instance, I think if the American people knew month by month the number of airplanes being produced they would be very well satisfied with the result, but that raises this question: We all know that the airplanes are divided into categories. There are bombers, there are fighters, there are pursuit planes, and there are training planes, and there are also other categories of planes. Of course, in the production of planes we have to consider the total. I have in a modest way inquired why it would not be advisable to let the people know month by month the number of

planes we are producing, but I have been met with the statement that if the total number is announced the impression might be created, in the first place, that they were all fighters and all bombers, whereas they are not, and cannot be. If information is given out with a breakdown as to the number of bombers and the number of fighters and the number of training planes, of course, that information reaches the enemy. It presents a difficult situation as to how far in detail the Government can go in informing its own people. If there were any way to inform them without it being broadcast around the world, of course, it would be a different problem, but that we cannot do now with the present facilities of communication.

I feel that, insofar as it is possible and wise, without giving any advantage whatever to the enemy by way of information as to the location of our war facilities, such information should be given to the people. This applies to tanks, anti-aircraft guns, and the whole assembly line of fighting materials. So far as it is possible for our Government to give the people the information for which they are eager, and in the absence of which they are likely to be imposed upon by persons who pretend to have but do not have accurate information in respect to the subject, the information should be given. However, I would not for a moment advocate that we put in the possession of our enemies any vital information merely in order that we may put it in the possession of our own people. I appreciate the remarks of the Senator from Minnesota and other Senators who are members of the subcommittee, and who have made a conscientious and careful survey of the production of war materials.

Mr. BALL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BALL. I did not intend to criticize the officials who must decide what news to release and what to withhold.

Mr. BARKLEY. I did not so understand the Senator.

Mr. BALL. They confront a difficult job and they have to weigh many factors. I suggest that possibly in their deliberations they have not given sufficient weight to the extent to which public confidence and morale generally will determine whether or not we shall win this war. That should be one of the factors to be very carefully weighed.

The VICE PRESIDENT. The report submitted by the Senator from West Virginia [Mr. KILGORE], pursuant to Senate Resolution 71, Seventy-seventh Congress, will be printed.

THE WAR-PRODUCTION EFFORT TO DATE

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. THOMAS of Oklahoma. Mr. President, today is the twenty-fifth anniversary of the declaration of war against Germany in World War No. 1.

Four months ago tomorrow we were attacked at Pearl Harbor, and on the day following we declared war against Japan.

Thereafter, in quick succession, practically all the nations of the world took sides, either for or against the United States and our allied nations.

Today we are in war—war east and war west.

Today the nations of the earth, embracing some 2,000,000,000 people, almost without exception, have forsaken the paths of peace and are practicing the arts of war.

Today business as usual, the pursuits of peace, and even civilization itself have been suspended for the duration.

Unless we prepare to fight, and then fight to win, business as usual, peace, and even civilization itself will not again return to America, either North, Central, or South.

This is a war for the life or death of peoples and nations, and out of this contest one group will emerge as the victor and the other group may perish.

After 18 months of preparation and 4 months of actual warfare the people are entitled to know the facts.

The question is constantly asked, What is our status today?

The people should know the facts, but the best interests of our people at home and of our men in uniform abroad will not be served by making too many facts public to the world.

Without being too specific, I wish to place in the RECORD a general summary of the production of war equipment to date.

On Saturday night Donald M. Nelson, Chairman of the War Production Board, assured our people and our Allies that we are ahead of production schedules on both airplanes and tanks.

He said:

We met our schedules in January and we made 23 percent more planes than we had made in December. We exceeded our schedule in February, which, of course, called for an increase over January. In March again we met the schedule, which increases in line with the President's objective. We are ahead of schedule in tank production. Our production of merchant shipping is rising rapidly. We should meet this year's schedule. The same is true of our production of anti-aircraft and anti-tank guns. America's industrial plant is really beginning to roll.

Supplementing the report made by our war production chief, I wish to place in the RECORD as a part of my remarks a copy of a most remarkable analysis of our war production effort to date. This report was prepared by Cecil B. Dickson, formerly a resident of my State of Oklahoma, and now one of the outstanding writers of the country.

The article is entitled "Twenty-five Years After," and was published as the leading news story on the front page of the Washington Post of April 5, 1942.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

25 YEARS AFTER—ARMY NOW 20 TIMES AS BIG AS ONE ENTERING 1917 WAR

(By Cecil B. Dickson)

Twenty-five years ago tomorrow the United States declared war against Germany.

It possessed:

A poorly equipped, untrained army of about 100,000 men and about 50,000 raw National Guard men.

Fifty-five airplanes, none equipped for combat service.

Thirty-five pilots, only four of whom could qualify for combat.

A few coastwise and tramp ships to constitute the merchant marine.

A fair Navy that was being built up by the 1916 act authorizing 156 ships.

Few war industries, and those jammed with Allies' orders.

Next Tuesday will end the fourth month of America's entry into World War No. 2—remember Pearl Harbor.

It possessed:

An Army of more than 2,000,000 trained men, which will be increased to 3,600,000 before next fall's snow flies.

Thousands of airplanes here and in the four corners of the earth fighting the Axis Powers.

Army and naval air forces of about 600,000 and a goal of 2,000,000.

Hundreds of cargo ships and tankers and 30,000,000 deadweight tons being built or under contract.

A Navy twice the size of that in 1917, and which is being increased rapidly.

War industries that are being built to beat the jig—Japs, Italians, Germans.

War production is rolling.

Output of planes has about doubled since December 7.

Production of tanks is so far ahead of schedule that the goal has been increased.

Ships, naval and cargo, now roll off the ways at an average of one a day and two a day is slated by midsummer.

Conversion of automobile factories, closed down in January, to war production is progressing faster than expected.

Hundreds of thousands of men have been sent to Australia, Newfoundland, Greenland, Iceland, England, Ireland, South America, Alaska, British islands in the Atlantic, and other places not yet announced.

They are well armed, well fed, clothed, housed, and protected from the air. They are inoculated against disease.

American aviators are flying bombers to Australia, England, Africa, India, and China.

Every plane carries a pay load in food, ammunition, medicine, and other supplies.

Twenty-five years ago, when the United States joined hard-hit France and England in the fight for democracy, it was so ill-prepared that the Kaiser thought our entry would have no effect on the outcome of the war.

War was declared on April 6.

Gen. John J. Pershing, although notified on May 10, was designated officially on May 28 as commander in chief of the American Expeditionary Force.

The first American convoy to reach France—on June 13, 1917—consisted of only 14 ships, including escorting destroyers and cruisers, and contained only 14,500 officers and men.

Congress enacted the 21 to 31 year draft and President Wilson signed it May 10.

Ten months after the United States entered World War No. 1 General Pershing cabled the War Department in protest against reports of certain newspapers that thousands of American planes were flying in France.

In his book *My Experiences in the World War*, General Pershing reproduced his cable, saying:

"As a matter of fact there is not today a single American-made plane in Europe."

Describing the deplorable condition of that time, General Pershing said:

"It was depressing to think that 10 months had elapsed since our entry into the war and we were just barely ready with 1 division of 25,000 men.

PEOPLE HAD BEEN DECEIVED

"With all our wealth, our manpower, and our ability, this was the net result of our efforts up to the moment; all because our

people had been deceived by the false and fatuous theory that it was unnecessary in time of peace to make even preliminary preparations for war."

As if taking heed from General Pershing's post-war warning, President Roosevelt began building up the Navy shortly after he entered the White House in 1933.

In a historic speech in Chicago, he branded Dictators Hitler and Mussolini and the Japanese as "aggressors" and warned the democracies of the world that they were threatened in Europe, Asia, Africa, and elsewhere.

He began to build up the Nation's air power after Austria and Czechoslovakia fell. In 1939, he asked Congress for 6,000 Army planes. He got 5,500. Later, he secured permission from Congress to lift the plane limit. Unsuccessfully, he called for repeal of the arms embargo in the hope that it would prevent spread of war in Europe.

Immediately after Hitler marched into Poland in 1939, he increased the Army and Navy. Congress finally repealed the arms embargo. Then the so-called phony war period set in. The British and French were invited to buy planes and munitions here. They did. May 1940 saw the steel gray mechanized hordes sweep across the European lowlands, subjugate France and Norway, and loose on England thousands of fire-belching bombs. Britons thanked God that Hitler failed to follow up his Dunkirk victory with an invasion of the tiny islands.

ASKS FOR CONSCRIPTION

During this period, President Roosevelt launched a huge merchant shipbuilding program. He called for a bigger Navy and a larger Army. He told the Americas to look at the map of the world and see how close South America is to Berlin.

In the face of a national convention and a campaign for election to a third term in a divided Nation he inaugurated a record-breaking defense program, including a two-ocean navy. For the first time in history he asked for peacetime conscription to train young Americans for the Army. The first draftees were inducted 13 months before Pearl Harbor.

Carrying out his 1940 campaign pledges to the embattled democracies, President Roosevelt went before Congress in January 1941, and proposed the unique lend-lease program.

Thus, by these steps and by stirring the people to the threat from abroad, President Roosevelt paved the way for preparedness for the war that was certain to come to this Nation.

Shipyards were expanded. Battle-torn British warships came here for repairs.

American planes, supplies, and munitions were felt by the Axis.

The rapid-fire Garand rifle was adopted for our fighting forces, and the building of tanks, guns, and planes was speeded up.

Had it not been for this preparedness program, the United States might have been in the condition it was when it went to war in 1917. It might have been invaded after Pearl Harbor. General MacArthur might now be a prisoner of the Japanese in the Philippines instead of commander of the United Nations' fighting forces in the Far East.

PEARL HARBOR BOMBED

Despite these preparations, the Japanese hit Pearl Harbor before the United States was ready for an all-out war.

Nonetheless, the record of his Government's war effort in the first 4 months far surpasses anything it ever did before.

This, notwithstanding bottlenecks, labor trouble, critics, blunders, mismanagement, and confusion.

Industrial production is breaking records.

Employment is soaring.

Labor disturbances are being held to a minimum.

Congress has given President Roosevelt every power and every dollar he has asked for war purposes.

Thousands of the 1,100,000 enemy aliens have been placed in concentration camps or under control.

In every war plant where a worker receives word of a son, relative, or friend having been killed, wounded, or missing, management reports voluntary increased production.

Labor realizes it has a stake in this war.

The worker appreciates liberty in a democracy.

Management generally is fair.

Management, capital, and labor, all have been making mistakes.

In the War Production Board there are some representatives of big business who, unwittingly, in seeking to secure more business for their monopolistic enterprises, have caused trouble and delay in the Nation getting production from small concerns. These small plants contain about 50 percent of the Nation's industrial productive capacity.

NELSON'S BIG JOB

But War Production Board Director Donald Nelson is working on this problem. His first job was to get the huge automobile manufacturing plants and other giant industries converted to war production. This is being done rapidly after a slow start.

Eighty-seven of the 90 General Motors plants, all of the Ford, Chrysler, Studebaker, Nash, Hudson, and Willys-Overland plants are now in war production.

Airplane plants have been expanded. Assembly lines for the speedy mass production of huge bombers are now operating. New airplane plants are going into production within a few weeks.

Employment is soaring. Since December 7, it has gradually increased. Unemployment has dropped to 3,500,000 and all of these workers are to be absorbed by fall. Plans are under way to induce about a million women, who have never worked, to join in the war production parade.

Plans for further increases in the Army are now being laid. Within a few weeks, disclosure will be made that the Army will increase its 3,600,000 number for this year to more than 5,000,000 men. The Navy, now with 500,000, and the Marine Corps with 104,000, also are to be increased as new warships come off the line and new naval bases are constructed here and abroad.

Great strides have also been made by President Roosevelt on the military and naval fronts. Supreme and united commands have been established. It was a year after General Pershing arrived in France before a united command was really established.

SOUTH AMERICA JOINS EFFORT

Most of the South American countries have joined in the effort. It was through the efforts and planning of President Roosevelt that this was accomplished.

In contrast to this and the first 4 months of World War No. 1, the United States had then only 285,000 Springfield rifles, 400 light field guns, 150 heavy field guns, and 1,500 machine guns of 4 different types. The Army had to use Enfield rifles, which some private manufacturers had been making for the British and Russians.

In that same period, Congress provided only \$4,000,000,000 for the war, including \$640,000,000 for aviation.

The Army lacked trained officers to man the American Expeditionary Forces, initially supposed to number only 500,000. "Ninety-day wonders" led them into action. It was April in 1918 before the United States had 300,000 men in France. But before November 11 of that year, more than 2,000,000 were in Europe.

Since that historic day, December 8, when President Roosevelt stood before Congress and asked for a declaration of war against Japan:

Ninety billion dollars have been provided for the war effort to send the program to \$160,000,000,000;

Ten billion dollars in cash has been expended by the Army, Navy, Maritime Commission, and other agencies for the war effort, compared with \$6,000,000,000 in the 5 previous months;

Outlay for lend-lease aid to Great Britain, Russia, China, and other United Nations jumped from \$700,000,000 to \$2,500,000,000.

SIXTY BILLIONS FOR AVIATION

Money already provided for aviation approximates \$60,000,000,000 and provides funds for all but about 35,000 of President Roosevelt's goal of 185,000 planes in 1942-43—60,000 this year and 125,000 next.

Funds for housing, equipping, transporting, feeding, clothing, and arming an army of 3,600,000 have been provided.

Money for a Navy of 500,000 men and a Marine Corps of 104,000 has been made available to bring the American fighting forces this year to more than the 4,000,000 in uniform in World War No. 1.

Sufficient money has been appropriated to carry out most all of the remainder of the President's 2-year program calling for 18,000,000 tons of shipping, 120,000 tanks, and 55,000 antiaircraft guns.

Soon another bill, providing about \$35,000,000,000, will be passed by Congress to provide funds to complete the program.

Lend-lease cash has been increased to \$20,000,000,000, while under provisions of the war legislation, a total of \$50,000,000,000 of the entire program can be diverted to the use of United Nations.

The public debt limit was increased from \$65,000,000,000 to \$125,000,000,000 to help finance the war.

Borrowing power of the Reconstruction Finance Corporation was increased by \$3,500,000,000, to provide a billion-dollar war damage insurance corporation to pay damages on property due to the war, and for \$400,000,000 in synthetic rubber plants, in addition to hundreds of millions for new aluminum and magnesium plants.

INDUSTRIAL OUTPUT SOARS

Six billions in taxes have been collected and more than three billions in defense bonds have been sold.

A \$9,000,000,000 war revenue bill has been proposed.

Industrial output, particularly in steel, machinery, shipbuilding, transportation equipment, and other durable-goods industries where the majority of military products are since Pearl Harbor

The Federal Reserve Board's index shows that industrial production was 166 percent of the 1935-39 average on December 7. It jumped to 168 before the end of December, despite the Christmas holiday period, when it usually slumps. Durable-goods production, already at a high rate due to the lend-lease program and the Nation's own armament effort, jumped to 227 percent of the 1935-39 average, a gain of about 10 points since Pearl Harbor.

Thousands of men and women worked on Christmas Day and throughout the holiday season in steel mills, airplane factories, and in shops to swell production.

Four months from Pearl Harbor, industrial production hit new high peaks. From 166 on December 7, it jumped to nearly 175 percent. In the fourth week of March it had topped 173 percent.

Steel production in the Pittsburgh area, the largest in the country, soared last week to 100 percent for the first time since the beginning of the war, while the steel industry as a whole operated at about 98 percent. This is a high average due to repairs that must be made from time to time in blast furnaces. A 98-percent average is equal to an annual rate of about 87,000,000 net tons. This represents an increase rate of several million tons over December 7.

GREAT SHIPBUILDING PROGRAM

Contracts for 23,000,000 dead-weight tons of merchant ships have been let by the Maritime Commission, an increase since December 7 of 9,000,000 tons.

This tonnage is larger than President Roosevelt's original 18,000,000-ton goal for 1942-43, announced in January.

This shipbuilding program is the greatest in world history.

It calls for 2,300 new cargo and tanker vessels within less than 24 months. More than 250 smaller ships are being built.

The schedule calls for 750 ships this year—an average of 2 a day. Already the average is slightly better than 1 a day. The schedule for 2 years is an average of 3 a day.

While the production progress is great, even more is expected as bottlenecks on materials are widened. The War Production Board has closed down civilian production in hundreds of consumers' goods plants, such as refrigerators, electrical devices, and radios.

They are being converted as rapidly as possible. The War Production Board, which has approved \$10,000,000,000 in war contracts since Pearl Harbor, has the job of awarding many billions more in the months to come. They will go to converted and hundreds of new plants to be constructed and old ones to be expanded.

And when they all get to turning out the things the armed forces need to defeat the Axis, the war of production will end in victory for the United States and the United Nations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6554) to amend war-risk-insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort.

The message returned to the Senate, in compliance with its request the bill (H. R. 6328) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

ENROLLED BILL SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6554) to amend war-risk-insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort, and it was signed by the Vice President.

SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. McKELLAR. Mr. President, pursuant to action by the Committee on

Appropriations, I submit a notice in writing of a motion to suspend the rule with reference to an amendment to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The notice in writing submitted by Mr. McKELLAR is as follows:

In accordance with rule XL of the standing rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, namely: On page 47, after line 17, insert the following:

"Sec. 403 (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission, and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d), (e), and (f) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is deemed by the Secretary to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period when the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is deemed by the Secretary to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor. Such contractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts

recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection. This subsection shall be applicable to all contracts hereafter made and to all contracts heretofore made, whether or not such contracts contain a renegotiation or recapture clause, provided (in the case of contracts heretofore made) that final payment pursuant to such contract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any other costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any other excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount of \$500,000 or more, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Such statements shall be made under oath, except for such interim reports as may be required by the Secretary. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor.

"(f) Subject to the provisions of this section, the Secretary of each Department, separately or jointly with the Secretary of one or both of the other Departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within 30 days from the date thereof.

"SCHEDULE OF MAXIMUM PROFIT RATES

"Ten percent of so much of the contract price as does not exceed \$100,000; plus

"Eight percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

"Six percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

"Five percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus

"Four percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

"Three percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

"Two percent of so much of the contract price as exceeds \$50,000,000.

"In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection. The foregoing provisions of this subsection shall not be construed to mean that the Secretary of any Department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

"(g) The authority and discretion herein conferred upon the Secretary of each Department may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(h) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McKELLAR. I submit a similar notice in writing with respect to another amendment which the committee has authorized.

The notice in writing, submitted by Mr. McKELLAR, is as follows:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, namely: On page 48, line 19, before the period, insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. GEORGE. Mr. President, I wish to inquire, if the amendments submitted

by the Senator in charge of the bill are now received, whether the vote on the two important amendments will go over until tomorrow?

Mr. McKELLAR. I was hopeful that I could obtain a unanimous-consent agreement that they might be considered today; but out of an abundance of precaution, fearing that some Senator might object, I have given the notice, so that the amendments may go over and be considered tomorrow. The only question is whether we shall consider them today or tomorrow.

Mr. GEORGE. I do not think consent could be had to consider these two important amendments today.

Mr. McKELLAR. Then, I am very glad I gave the notice.

Mr. GEORGE. I wished to make it clear, so that we would not be expecting them to come up today, unless for discussion by those who favor them.

Mr. McKELLAR. Mr. President, I desire to proceed for a few moments with a discussion of the pending bill.

This is the sixth supplemental national defense appropriation bill of 1942. The appropriations carried in the bill are divided into three classes. They were divided into such classes in the House, and the Senate committee has followed the classification.

Appropriations for the military activities of the War Department constitute more than nine-tenths of all the appropriations; and I desire to say that the larger portion of the War Department appropriations will be spent for the purpose of building additional airplanes for the Department. There are also appropriations and contract authorizations for the Navy Department, and appropriations and contract authorizations for certain civil agencies.

The House reported a bill of \$17,375,959,445 for war Department activities and for the purpose of expanding the Army to a strength of approximately 3,600,000 men. Most of the appropriations are for the purpose of fitting out, equipping, preparing, and training a 3,600,000-man Army. That is proposed to be done by December 31, 1942.

A very large portion of the money now proposed to be appropriated—namely, \$6,990,000,000—is for the construction of airplanes, complete with spares, radios, and ordnance, in order to meet the President's objective as set forth in his speech of January 6, 1942, for the production of 60,000 airplanes in the calendar year 1942 and 125,000 airplanes in the calendar year 1943. This is the second step in the airplane-production program. The additional planes make it necessary to have additional ground facilities, organization, and equipment for a larger number of operating units and a large increase in pilot output; and the added expense for such purposes will be \$3,680,000,000.

The bill also provides for pay, subsistence, training, transportation, and otherwise caring for such expansion as will be necessary before July 1, next, and housing for an army of a strength of approximately 3,600,000 men by December 31, 1942; and this will cost \$2,050,000,000.

In addition to the appropriations for airplanes and personnel, there are incidental and added maintenance and operation charges and expenses of \$450,000,000 for storage and shipping facilities; and for all such purposes and projects an amount of \$2,500,000,000 is to be added. To this amount is added \$2,220,000,000, in round numbers, for defense aid.

That is the bill as it passed the House. The amount of the bill as it passed the House was \$18,156,961,345. To that large sum the Senate committee has added \$905,000,000-plus, so that the amount of the bill as reported to the Senate is approximately \$19,062,000,000.

At this point I desire to state to the Senate what the increases are.

For the War Department there is provided in the bill what is known as the Army Specialist Corps. Provision for the Army Specialist Corps was left out by the House. It was testified that the Army desired to have 6,000 specialists, with a pay schedule of from \$2,300 to \$8,000 a year. These are to be technicians, as shown on page 3 of the bill. The amount required for the specialist corps is \$2,218,100.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall yield in a moment.

These men are to wear uniforms, but not regulation Army uniforms; and they will not be officers. The corps will be a civilian corps, to be used by the Army. The committee was convinced of the practicability of the use of such men, and it provided that they should be appointed by the President, but by and with the advice and consent of the Senate.

Now I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I regard this as a very beneficial change in the policy of the War Department. That is, the effect of the provision to which the Senator refers—separating and distinguishing the gentlemen who come in to perform civilian military service from those who are engaged in combat service—is very important, as I see it, in order to protect the morale of the fighting soldier.

There is a proviso in the text about which I wish to inquire, since I do not understand it. It is the last proviso on page 3, lines 14 to 18:

Provided further, That no part of this appropriation shall be available to pay the salary of any member of that corps unless such member is appointed by the President, by and with the advice and consent of the Senate.

I have understood, throughout the history of this piece of legislation and the plans which led up to it, that a very large number, in fact by far the largest number of men who will belong to this corps are in a group who are not officers. They are in a group of men who correspond to laborers; and I cannot understand what this proviso means if we take it literally to mean what it says.

Mr. McKELLAR. The testimony was, and a large amount of testimony was taken by the committee, that these men are to be what are called technicians, men who may be sent abroad or who may

be put on civilian duty which now is performed by regular officers of the Army, and, therefore, their employment will spare a number of regular officers of the Army who can be better engaged in more active work, as these men will be put only on civilian work.

It is a new scheme. It is a departure from established methods in our Army, and the committee thought, out of caution and care, that these officials should be selected by the President, by and with the advice and consent of the Senate.

There was a question raised in the committee as to whether the lower-paid employees—those in the class who receive \$2,300, \$2,600, and \$3,200—might be excluded, but after most careful consideration it was decided not to exclude them. The committee went very thoroughly into this matter because the House report, as the Senator will recall, is opposed to it, and therefore we wanted to make the matter as secure as possible, and yet to give the Army the advantage of this corps of technicians if they were really needed. We also wanted to be certain that they were technicians, and not simply men to fill places. That was the idea of the committee.

Mr. AUSTIN. Let me say that, although it is not what I would choose if I, myself, were trying to frame the legislation, I am ready to cooperate with the judgment of the committee on that policy.

Mr. McKELLAR. I am sure the Senator is.

Mr. AUSTIN. I will go along with the committee in that respect, with great interest in its success. I now understand from the answer that these employees, who are really on the basis of laborers, are not regarded as being within the Army.

Mr. McKELLAR. They are not within the military force. They are expected to wear uniforms, but the uniforms will be different from those of the Regular Army.

Mr. AUSTIN. I understand; but does this provision relate solely to men who will acquire some sort of appointments with commissions?

Mr. McKELLAR. I do not know. Commissions are not provided for at all. They are not to be Army officers at all. They are to be civilian technicians under the control of the Army. That is the proposal.

Mr. AUSTIN. I think this information ought to be kept on the record. As I understand the Senator, there will be no majors, no captains, no officers of title, and no insignia of rank.

Mr. McKELLAR. Oh, no; and no retired pay—nothing except employment as technicians by the Army itself.

Mr. AUSTIN. Then, as I understand the Senator's explanation, there will not be in the corps any persons who are in the status of laborers.

Mr. McKELLAR. Nothing was said about laborers. The lowest salary is \$2,300 and the highest is \$8,000. A corps of technicians is what is intended.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from South Dakota.

Mr. GURNEY. Is it the intention in organizing this specialist corps to have this new uniformed force take over Army office work as rapidly as possible in the city of Washington? To what extent is it intended that the new corps will take over desk jobs?

Mr. McKELLAR. That depends entirely upon the Army in Washington, because the specialist corps will be entirely under the control and dominion of the Army in Washington.

Mr. GURNEY. I realize that, but I was wondering if there was any program to do what I have suggested so as to relieve commissioned officers for combat service by the appointment of these specialists who might not be able to pass the rigid physical requirements for commissions in the Army?

Mr. McKELLAR. I will quote from the statement of General Somervell, who is one of the most accomplished officers in the Army, on page 11 of the hearings:

General SOMERVELL. In the first place, we appreciate very much what you have said about the character of Army officers; but we don't think we have any corner on honesty, Senator. Secondly, the people in the Army who have been trained for these duties have already been used. I mean, we haven't an inexhaustible supply. Consequently, we have to supplement the number we have now.

The problem before us is whether we put the men in a suit like the one I am wearing, with shoulder straps or what not on it, or in a different kind of suit. It is the same man, and we think it is better to put him in a nonmilitary uniform, if his duties are primarily nonmilitary duties, that is, in command of other kinds of activities. This doesn't mean that this is going to be done outside of the Quartermaster Corps, for example, speaking of the purchasing. The Quartermaster General is going to continue to be in charge of the purchasing. But he is going to have to supplement his force, either with Reserve officers or officers commissioned in the Army of the United States, as it is now, or supplement them in part with people in this Army Specialist Corps. That is the whole problem. It will be the same individuals and the same number of men.

His idea is that the Army needed men, for instance, who were well qualified and experienced along the line of purchasing supplies for the Army, but who would still be under control of the Quartermaster Corps of the Army, and would not be commissioned officers. His idea is that they are to be businessmen, in control of business matters within the Army.

Mr. GURNEY. May I ask a further question?

Mr. McKELLAR. Certainly.

Mr. GURNEY. Was there any information given before the committee to the effect that men who go into the specialist corps would be those who had been put into a special classification under the selective service for limited service?

Mr. McKELLAR. No, sir. The Army would have carte blanche to employ the best men they could get, and they are not to stand civil-service examinations, they are not to stand any kind of examination, except what the Army wants to subject them to.

Mr. GURNEY. Let me ask a further question, if I may.

Mr. McKELLAR. Certainly.

Mr. GURNEY. When these men come into the specialist corps, will that relieve

them from their obligations under the selective service law?

Mr. McKELLAR. Oh, no; not at all.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Tennessee yield for an additional observation?

Mr. McKELLAR. I yield.

Mr. THOMAS of Oklahoma. The testimony showed very clearly that the Army must have the technicians for whom the bill makes provision. The only question is whether they shall be taken into the Regular Military Establishment and given commissions, entitling them to wear the regular standard uniform, with shoulder straps, and with salaries to correspond, or shall be organized as a special corps, to include the same men, with uniforms but without the rank designations.

The uniforms, no doubt, will be similar to Army uniforms and will contain United States insignia and probably some sort of insignia to designate that the wearer is in the specialist corps, but members of the corps will not have the special insignia of lieutenants or captains or majors or colonels or generals.

Mr. AUSTIN. Will the Senator yield?

Mr. THOMAS of Oklahoma. Let me make one more statement; then I shall be glad to yield. The only purpose of the uniform, as I understand, is this: Under the provisions of the Geneva Convention men of any nation who engage in war activities, if they are captured and are not in uniform are treated as spies and are subject to be shot. The uniform will protect them, and if they are captured wearing the uniform, they will become prisoners of war and will be treated as such.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. The Senator from Oklahoma has just answered the question that was in my mind; but, if the Senator will yield for an observation, I want to make a further comment. As a trustee of the State university, I have for years observed young men spend some part of 4 years in educating themselves in military science and in drilling in order to acquire skill in military tactics. I have observed them spend some part of the vacation, during which usually in the northern section of the country they go to work to try to earn something, training in camps. After 4 years of such discipline and effort, they graduate with a second lieutenant's commission.

It cannot help the Army of the United States, the combat troops, the officers on whom we depend for victory in combat if we put the uniform and insignia of rank upon gentleman who never have sacrificed or done a single thing to acquire the special distinction and authority which the Government gives to the young men to whom I have referred who really undergo a special education in order to acquire not only qualities of leadership but the skills which are necessary.

I think that this is one of the most important and beneficial changes of policy on the part of the Government I have seen come before the Senate. It

is a grave thing to have the morale of our officers who are in command of combat troops impaired by anything at all, and I say there is nothing, in my opinion, that would have a greater tendency to impair it than to put the uniform and the insignia upon men who never in their lifetime have lifted a hand to acquire the knowledge, ability, and attainments for which the uniform and insignia stand.

Mr. McKELLAR. Mr. President, on behalf of the committee, I desire to thank the Senator from Vermont for his kind words.

I wish to add two short excerpts from a letter written by General Marshall, the Chief of Staff, about this same subject:

The purpose of the specialist corps is to establish under military control, a group of civilians whose professional, scientific, and business talents are essential to the success of the prosecution of war. To obtain such individuals in the Army, it is now necessary to commission them in military grades for which they are not qualified. In order to organize and control this group, it is considered absolutely necessary that they be organized into a corps and authorized a distinctive uniform which will accord appropriate recognition of their status in the Military Establishment.

The War Department is convinced that there is a genuine need for the Army Specialist Corps. Recent studies by the Army, including elements in theaters of operations, indicate that a disproportionate part of our trained military personnel is being consumed in overhead activities. The Army Specialist Corps will permit us to turn these duties over to a group of specialists which will be under the complete control of the Army.

General Marshall further says:

In general, members of the specialist corps will be without military training. If commissioned in the Army, officers who would be junior to them and who have spent years qualifying themselves—

Using the very argument the Senator from Vermont has used—

would naturally resent being made subordinate to persons with no military training. This is an important morale issue, which is constantly present in the commissioning in the Army of professional and technical experts who have no military background. The specialist corps can meet this issue. Specialist corps members will, insofar as it is practicable, be chosen from persons not subject to, or who have been deferred from, induction into the military service. The specialist corps will be a supplement to, and not a competitor of, the Army.

No age limit is fixed, and that question will not arise, nor will the question of rank arise.

The Senator from South Dakota [Mr. GURNEY] asked whether those assigned to the specialist corps would be excused from service under the selective draft. I wish to quote the testimony on that point:

Senator O'MAHONEY. But I take it the answer would also be in the affirmative if the question were, Are you able to take in men who are physically capable of passing the examination? Would the answer be "Yes"?

General HILLDRING. The answer would be "Yes," but the protection of them from the draft would be "No," Senator. If we took such a man in, that would not, per se, give him immunity from Selective Service, and that is the point I wanted to make.

Senator O'MAHONEY. I am glad you made it, because that makes it possible for us to say that this system would not be an outlet whereby to escape actual draft service.

General HILLDRING. Absolutely not.

Mr. President, I have referred to this testimony to support my belief that we should not excuse men from service under the selective draft by putting them into civilian employment under the Government. I am opposed to that, our committee is opposed to it, and I am sure that nothing of that kind will be done. Indeed, I think that most of those who will go into the specialist corps, if the House and the Senate and the President shall agree to the provision, will be men who probably will not come within the draft at all; that is, the corps will be composed of older men.

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Tennessee yield to the Senator from Vermont?

Mr. McKELLAR. I yield.

Mr. AUSTIN. The Senator's statement brings us right to the significant element in the selective training and service law; that is, the element of selection. That is one of the most important elements in the law. A local board having under consideration an enrollee who is in the specialist corps will, under the law, take into consideration the question whether the man's service is more important to his country in the place where he is than if he were put into the armed forces. They have the power to leave him where he can serve his country best.

Mr. McKELLAR. Mr. President, the next increase of appropriation in the bill is for Army transportation, for the chartering of merchant ships. It was established by the evidence before us that while there are not many ships which can be chartered, there are some, and, of course, everyone knows the desirability of obtaining those ships if they can be obtained, and an appropriation of \$56,490,798 was added for this purpose.

Mr. President, I do not think it requires argument to convince anyone that wherever we can buy a ship at this time we should do so. The committee, holding to that view, has added this item to the bill.

The largest addition to the bill was under the Navy Department, Bureau of Yards and Docks, in which category \$809,000,000 was added. The reason for this additional estimate was given by Admiral Moreell, who said:

The \$9,000,000 is to finance the purchase of utilities, such as locomotives, box cars, flat cars, locomotive cranes, hauler cranes, truck cranes, tractors, etc., for the entire Naval Establishment. With the expansion in the shore stations of the Navy we have received large requests for equipment of this character to enable the stations to carry on their work, and we have just not had enough funds to finance those requests.

They had already received about twelve and a half million dollars, and he wanted a \$9,000,000 deficiency, to which the committee agreed. Again Admiral Moreell asked for \$800,000,000—

for the program of miscellaneous public works, which is designed to parallel the expansions in the other branches of the Navy.

I mean by that the increase in personnel for both the Navy and the Marine Corps to 1,000,000 and 200,000, respectively, automatically entails an increase in the training facilities and in the housing facilities and the hospital facilities.

This included repair work and vocational schools. It was said that with this appropriation they could train a million men. This constituted, of course, a very large part of the increase recommended by the Senate committee.

The Coast Guard Marine Training Corps was given \$5,000,000, making the total increase in the appropriation for the Navy Department \$814,000,000.

In the general appropriation title the Senate committee recommended a contract authorization for access roads of \$25,400,000, there being a Budget estimate therefor. There was also added \$3,500,000 for Aircraft Engine Research Laboratory, Cleveland, Ohio.

The Selective Service System was granted \$3,770,000.

The Tennessee Valley Authority, for building a phosphorus manufacturing plant at or near Mobile, Ala., was allowed \$3,000,000.

Various items for the District of Columbia were added, amounting to \$328,817.18. By the way, the items asked for by the District of Columbia amounted to over half a million dollars, but only the most pressing items, such as those for food, clothing, hospitalization, and other necessary items, were allowed by the committee.

I now come to a very important matter, which is especially interesting to the Senators from the Pacific coast. It is the item, first, of \$250,000, for the national-forest protection and management, to enable the proper officials to protect our national forests.

The emergency forest-fire-control organization was given an additional \$16,100,000. The House had allowed \$2,000,000, and the Budget estimate was \$5,000,000. There was much testimony before the committee as to conditions in our national forests in the West, which probably are our largest forests, unless those in Alaska are larger. I do not think they are, though. I am speaking from my own recollection. Anyway, enormous and magnificent forests are to be found in the far western States. As we all know, there are many Japanese in those States who are being moved back from the coast and put into concentration camps. It is easy to set these forests afire, and our committee thought it was necessary to appropriate a sum sufficiently large, according to the opinion of those who are carrying out the proposal, to protect the forests. Their estimate was for about \$19,000,000. Therefore we added a sum which will bring the appropriation up to approximately that figure. Knowing, as I do, something about those forests, having visited the West a number of times, and having seen the magnificent trees which are still standing there, I think we could not spend our money to better advantage than by affording the necessary protection, both from ordinary fires, and from what might be called fires in the nature of sabotage. For these reasons the com-

mittee unanimously recommended even more than the Budget estimate, more than three times the Budget estimate, and has recommended this amount to be used by those whose duty it is to control the forest fires in the West.

In this connection, I wish to say that I have received hundreds of telegrams, and I think other Senators have received a large number, too, from State authorities in the West, who are working in harmony and in cooperation with the national authorities in saving the forests. I hope very much that the provision will be agreed to.

Mr. BONE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BONE. I merely desire to say to the Senator that I am very much gratified to note that the committee restored the amount which the Department asked, because those of us from the Pacific Coast States—and I note present at this time both Senators from Oregon [Mr. McNARY and Mr. HOLMAN], the Senator from Idaho [Mr. THOMAS], and the Senator from California [Mr. DOWNEY]—know that that whole area, which is heavily timbered, has been at times swept by terrifying fires.

Mr. President, just one other thought. I drove through South Carolina a short while ago and was astonished to find—I do not know why I should have been, but I was astonished to find signs in South Carolina similar to signs in the States of Washington and Oregon, warning against setting forest fires. Upon inquiry I discovered that the Southern States were also trying to develop a new type of reforestation which would give to the South a new source of wealth in lieu of that which had previously been almost wantonly destroyed by the wrong sort of cutting. So it is gratifying to know that this item will not only help the West but will also help all sections of the country, including the States along the east coast.

Mr. McKELLAR. Mr. President, we also granted \$185,000 to the Bureau of Entomology and Plant Quarantine. There was a Budget estimate for this item, and the proof was overwhelming that it was needed.

For the Department of Commerce, Office of Administrator of Civil Aeronautics, for automatic posting systems at New York and Washington, \$4,080,000 is provided. I think that is a very popular expenditure of the Government's money, for better methods of defense, and unless I am asked about it I shall not discuss the item. I think the committee thought that it was highly proper that the item should go into the bill.

For the Interior Department, fire protection of forests, forest industries, and strategic facilities—national defense—there is an item of \$1,240,200. That applies to Government forests which are under the control of the National Government and under the control of the Interior Department. For that reason a portion of the money which was referred to a while ago is given directly to that Department. I am glad to say that I think the Interior Department, and the Department of Commerce, which has charge of the protection against forest

fires, and the fire departments of the various States and the various counties in the West, are all joining in a very determined effort to prevent fires.

Also, Mr. President, under the Department of Labor, for salaries and expenses, apprenticeship training program, an item of \$90,000 was allowed.

For the Commissioners of Conciliation, \$150,000 was provided.

The total under the general civil appropriations, title III, is \$32,694,017.18.

Mr. President, that brings me to two amendments which the committee authorized to be offered. They are not in order, but notice in writing has been given, and the chairman of the committee will submit the amendments under that notice, unless unanimous consent is granted beforehand, so that they may be submitted today. I think it is proper to submit one amendment. It was one of the most earnestly considered amendments in the whole bill. The House provision appears on page 47—

Mr. McNARY. Mr. President, what amendment is that?

Mr. McKELLAR. That is the House amendment which the Senate committee struck out concerning our attempt to control contracts to some extent.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I yield.

Mr. McNARY. I am advised that the Senator is about to discuss the House provision with respect to limitation on profits?

Mr. McKELLAR. Yes.

Mr. McNARY. The Senator has given, and properly so, notice of action tomorrow, which is necessary under the rules, of course, to endeavor to suspend the rule because of the fact that the proposed amendment is legislation on an appropriation bill. I take it that the House amendment was a limitation, and here we have legislation which comes wholly within the prohibition of the rule. If we are to consider that amendment tomorrow—and it will be necessary to obtain a two-thirds vote for its consideration—why does the Senator launch into a discussion of it today? Why not take the bill up today and consider all the items which are not controversial, or which are not involved in the question of a suspension of the rule, and leave that matter for consideration tomorrow? We had an understanding that after today there would be more or less of a holiday, subject, of course, to sessions on Mondays and Thursdays. I would suggest to the Senator that if he starts out on the amendment today, what is said today will have to be repeated tomorrow. Let us clear up the bill as far as we can today, and then recess until tomorrow, and have simply one proposition before us, which is a very important one.

Mr. McKELLAR. If it is the intention of any Senator to object to considering the amendment today I think the suggestion of the Senator from Oregon is very wise.

Mr. McNARY. Mr. President, that was understood. I may say in the absence of the distinguished Senator from Ohio [Mr. TART] and in his name, that I shall have to object. I should have to object in my

own name, because I think the amendment clearly comes within the rule, and I also always insist on the enforcement of the rules, as I do today. I understand the able Senator from Georgia [Mr. GEORGE] objected to consideration of the matter today. I will make the statement now positively, that objection will be made to taking up the amendment today.

Mr. McKELLAR. With that understanding, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments, except two, or really except the one to which reference has just been had, be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the amendments reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, in "Title I—War Department", on page 1, line 8, to strike out:

For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and to be merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under such heads, respectively, in such act, as follows:

And to insert:

For additional amounts for appropriations for the Military Establishment, fiscal year 1942, which, together with the unexpended balances remaining under all appropriations for the Military Establishment for the fiscal years 1940 and 1941, shall be supplemental to, merged with, and become a part of, the appropriations under the respective heads in the Military Appropriation Act, 1942, as amended by acts supplemental thereto, including the objects and subject to the limitations and conditions specified under said heads, respectively, in those acts, except as otherwise provided herein; and such appropriations heretofore and herein made shall remain available until June 30, 1943, for the purposes of such appropriations, including obligations chargeable against appropriations for the Military Establishment for the respective purposes of said appropriations for the fiscal years 1940 and 1941, as follows:

The amendment was agreed to.

The next amendment was, under the heading "Finance Department", on page 3, line 7, to strike out the subhead "Pay of the Army", and to insert "Finance Service, Army"; in line 9, before the word "For", to insert "Pay of the Army"; and in line 10, after the word "States", to strike out "\$325,113,462" and to insert the following: "Including the pay of members of the Army Specialist Corps, \$327,331,562: *Provided*, That members of that corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of that corps unless such member is appointed by the President, by and with the advice and consent of the Senate."

The amendment was agreed to.

The next amendment was, on page 3, line 19, to strike out the subheading "Travel of the Army" and to insert be-

fore the word "For", the words "Travel of the Army":

The amendment was agreed to.

The next amendment was, on page 5, line 8 to strike out the subhead "Apprehension of deserters" and in line 9, before the word "Funds" to insert "Apprehension of deserters":

The amendment was agreed to.

The next amendment was, on page 5, line 13, to strike out the subhead "Finance Service"; in line 14, before the word "For", to insert "Finance Service"; and in line 14, after the words "in all", to strike out "\$419,478,462", and insert "\$421,696,562."

The amendment was agreed to.

The next amendment was, under the heading "Quartermaster Corps", on page 6, line 2, to insert as a subhead the words "Quartermaster Service, Army"; in line 14, after the word "transportation", to strike out "\$761,412,202" and insert "\$817,912,000"; in line 16, to strike out the subhead "Welfare of enlisted men"; and in line 19, after the words "in all", to strike out "\$1,317,225,479" and insert "\$1,373,725,277."

The amendment was agreed to.

The next amendment was, on page 7, line 12, to strike out the subhead "Engineer Service, Army."

The amendment was agreed to.

The next amendment was, under the heading "General provisions", on page 9, line 14, after the words "apply to", to strike out "persons who have lost their citizenship by serving in the armed forces of another nation but who apply and are accepted for service in the Army of the United States" and to insert "military personnel."

The amendment was agreed to.

The next amendment was, in Title II—Navy Department, on page 12, after line 10, to insert:

BUREAU OF NAVIGATION

TRAINING, EDUCATION, AND WELFARE, NAVY

Funds appropriated under the heading "Welfare and recreation" shall be available for the hire and use of buildings, grounds, services, facilities, and subsistence for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States, including Alaska, the Canal Zone, and insular possessions.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ordnance", on page 13, after line 16, to insert:

BUREAU OF YARDS AND DOCKS

Maintenance, Bureau of Yards and Docks, \$9,000,000.

Public works, Bureau of Yards and Docks: For public works and public utilities, Bureau of Yards and Docks, including the acquisition of necessary land, \$800,000,000, which, together with the unexpended balances of appropriations heretofore made under this head, shall be finally accounted for as one fund, which fund shall be available for continuing or completing the construction of any project heretofore authorized or undertaken thereunder, for acquisition or construction of temporary or emergency buildings and facilities at localities within or without the United States, needed by the Navy and specifically approved by the Secretary of the Navy, including collateral public-works items and other expenses: *Provided*, That contracts for work under this appro-

priation may be entered into without regard to the provisions of section 3709, Revised Statutes.

No part of the appropriations in this act under the Navy Department shall be expended for a permanent type of construction at any shore establishment of any character acquired subsequently to the calendar year 1938, unless such establishment shall be designated by the Secretary of the Navy as a permanent establishment, and, in that event, a permanent type of construction shall be used only to meet such permanent requirements as the Secretary of the Navy may approve: *Provided*, That nothing herein shall prevent construction of a type sufficiently substantial for the use intended, nor apply to construction projects now under contract or in progress: *Provided further*, That no part of such appropriations may be obligated for the construction of quarters, including heating and plumbing apparatus, wiring and fixtures, for greater amounts per unit than follow:

Permanent construction:

For commissioned officer, \$10,000.

For commissioned warrant or warrant officer, \$7,500.

For enlisted man, \$6,000.

Temporary construction:

For commissioned officer, \$7,500.

For commissioned warrant or warrant officer, \$5,000.

For enlisted man, \$3,500.

The fixed fee to be paid the contractor as a result of any contract hereafter entered into under this appropriation shall not exceed 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy.

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps", on page 16, after line 5, to insert "*Provided*, That the appropriations under this heading for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to marines given discharges for bad conduct, undesirability, unfitness, or inaptitude."

The amendment was agreed to.

The next amendment was, under the heading "Increase and replacement of naval vessels", under the subhead "Coast Guard", on page 17, after line 10, to insert:

Maritime training fund, Coast Guard: For the purchase of training ships for merchant marine personnel, \$5,000,000.

Appropriations under the Coast Guard for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude.

The amendment was agreed to.

The next amendment was, under the heading "General provisions", on page 18, after line 19, to insert a new section, as follows:

SEC. 202. The appropriations of the Navy Department for the fiscal years 1942 and 1943 shall be available to carry out the provisions of Executive Order No. 9112 of March 26, 1942.

The amendment was agreed to.

The next amendment was, in line 24, to change the number of the section from "202" to "203."

The amendment was agreed to.

The next amendment was, in "Title III—General appropriations—Legislative", on page 19, line 3, to insert:

SENATE

The unobligated balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

The unobligated balance of the appropriation for folding speeches and pamphlets at a rate not exceeding \$1 per thousand, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

The amendment was agreed to:

The next amendment was, under the heading "Federal Works Agency", on page 26, line 8, after the words "amount of", to strike out "\$20,000,000" and insert "\$25,400,000."

The amendment was agreed to.

The next amendment was, on page 26, after line 14, to insert:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

For an additional amount for the fiscal year 1942, to remain available until expended, for continuing construction and equipment of the Aircraft Engine Research Laboratory at Cleveland, Ohio, \$3,500,000: *Provided*, That the limitation of \$13,300,000 upon the total cost of construction and equipment of said Aircraft Engine Research Laboratory is hereby increased to \$18,171,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 22, to insert:

SELECTIVE SERVICE SYSTEM

For an additional amount for the operation and maintenance of the Selective Service System for the fiscal year 1942, including the objects specified for the appropriation under this head in the Independent Offices Appropriation Act, 1942, \$3,770,000, which amount, together with the said appropriation and \$3,500,000 of the unobligated balance of the appropriation under this head in the Third Supplemental National Defense Appropriation Act, 1941, shall be consolidated and constitute one fund: *Provided*, That from the date of the approval of this act to June 30, 1943, the Director of Selective Service, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the Reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders.

The amendment was agreed to.

The next amendment was, on page 27, after line 20, to insert:

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for the beginning of construction of a fertilizer and elemental phosphorus manufacturing plant at or near Mobile, Ala., and the acquisition of land in connection with the accomplishment of this project, \$3,000,000, to be available for the administrative objects of expenditure and subject to the conditions spec-

ified under this heading in the Independent Offices Appropriation Act, 1942.

The amendment was agreed to.

The next amendment was, on page 28, after line 15, to insert:

DISTRICT OF COLUMBIA
GENERAL EXPENSES

Department of Insurance, salaries: For an additional amount for personal services, fiscal year 1942, \$2,445.

Office of Administrator of Rent Control, salaries and expenses: For an additional amount for all expenses necessary in carrying out the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, including personal services and printing and binding, fiscal year 1942, \$5,400.

The amendment was agreed to.

The next amendment was, at the top of page 29, to insert:

CONTINGENT AND MISCELLANEOUS EXPENSES

Contingent expenses: For an additional amount for general necessary expenses of District offices, fiscal year 1942, including the objects and subject to the conditions and limitations specified under this head in the District of Columbia Appropriations Act, 1942, \$7,200.

Postage: For an additional amount for postage for strictly official mail matter, including the rental of postage-meter equipment, fiscal year 1942, \$4,000.

Printing and binding: For an additional amount for printing and binding, fiscal year 1942, including the condition specified under this head in the District of Columbia Appropriation Act, 1942, \$6,500.

The amendment was agreed to.

The next amendment was, on page 29, after line 13, to insert:

COLLECTION AND DISPOSAL OF REFUSE

Street cleaning: For an additional amount for dust prevention, sweeping and cleaning streets, avenues, alleys, and suburban streets, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$20,000.

Collection and disposal of refuse, expenses: For an additional amount to enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, etc., fiscal year 1942, including the objects and subject to the conditions specified under this head in the District of Columbia Appropriation Act, 1942, \$40,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 2, to insert:

PUBLIC SCHOOLS

Community Center Department: For an additional amount for all expenses necessary for the operation and maintenance of the Community Center Department, fiscal year 1942, including the objects and subject to the conditions specified in the appropriation under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Buildings and grounds: For the completion of six unfinished classrooms at the Lafayette School, fiscal year 1942, to remain available during the fiscal year 1943, \$45,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 12, to insert:

HEALTH DEPARTMENT

Inspections: For an additional amount for inspections, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Tuberculosis sanatoria, expenses: For an additional amount for provisions, and so

forth, fiscal year 1942, including the objects and subject to the limitations specified in the District of Columbia Appropriation Act, 1942, \$40,000.

Repairs and improvements: For an additional amount for repairs and improvements to buildings and grounds, including roads and sidewalks, fiscal year 1942, \$9,173.

Gallinger Municipal Hospital, expenses: For an additional amount for maintenance of the hospital, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$73,700, and the amount specified for purchase (including exchange) of two motortrucks is increased to \$2,400.

Repairs: For an additional amount for repairs and improvements to buildings and grounds, fiscal year 1942, \$6,500.

The amendment was agreed to.

The next amendment was, on page 31, after line 10, to insert:

COURTS

Municipal court: For an additional amount for contingent expenses, fiscal year 1942, including the objects specified under this head in the District of Columbia Appropriation Act, 1942, \$840.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

PUBLIC WELFARE

Jail: For an additional amount for maintenance and support of prisoners of the District of Columbia at the jail, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$4,650.

Workhouse and reformatory, expenses: For an additional amount for maintenance, care, and support of inmates, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$12,000.

District of Columbia Training School: For an additional amount for maintenance and other necessary expenses, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Industrial Home School for Colored Children: For an additional amount for maintenance, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$5,000.

The amendment was agreed to.

The next amendment was, on page 32, after line 12, to insert:

MILITIA

For an additional amount for personal services and other expenses, fiscal year 1941, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1941, \$1,409.18.

The amendment was agreed to.

The next amendment was, on page 32, after line 17, to insert:

DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia appropriation acts for the respective fiscal years for which such sums are provided.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture,

Forest Service, salaries and expenses," on page 33, line 7, after "1942", to strike out "\$250,000" and insert "\$500,000";

The amendment was agreed to.

The next amendment was, on page 33, line 17, after the words "not to exceed", to strike out "\$15,000" and insert "\$35,000"; at the beginning of line 19, to strike out "\$2,000,000" and insert "\$18,100,000"; and on page 34, line 7, after the word "property", to insert a proviso, as follows: "Provided further, That the maintenance, including the pay of enrollees, of any Civilian Conservation Corps camps transferred to the Forest Service either by Congress, or by the President under authority granted by section 801 of the Second War Powers Act, approved March 27, 1942, shall be payable out of this appropriation."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Entomology and Plant Quarantine", on page 34, line 18, after "1942", to strike out "\$1,665,000" and insert "\$1,850,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce, Office of Administrator of Civil Aeronautics," on page 36, line 19, after "1942", to strike out "\$1,940,000" and insert "\$6,020,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior, Office of the Secretary", on page 38, line 17, after the words "not to exceed", to strike out "\$8,000" and insert "\$50,000"; and in line 25, after the figures "1942", to strike out "\$324,800" and insert "\$1,565,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor, Office of the Secretary", on page 42, after line 12, to insert:

Salaries and expenses, apprenticeship training program (national defense): For an additional amount for the fiscal year 1942 for "Salaries and expenses, apprenticeship training program (national defense)," including the objects specified under this heading in the Department of Labor Appropriation Act, 1942, \$90,000.

The amendment was agreed to.

The next amendment was, on page 42, line 23, after "1942", to strike out "\$76,500" and insert "\$226,500."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—General provisions", on page 45, after line 11, to strike out:

Sec. 401. Section 2 of the First Supplemental National Defense Appropriation Act, 1942, and the last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941, are hereby repealed.

And insert:

Sec. 401. The last proviso under the caption "Military posts" in title IV, Military Appropriation Act, 1941 (Public No. 800, 76th Cong.), is hereby repealed, and section 2 of the First Supplemental National Defense Appropriation Act, 1942, approved August 25, 1941 (Public Law 247, 77th Cong.), is hereby amended to read as follows:

"Sec. 2. It shall be the duty of the Secretary of War and the Secretary of the Navy, respectively, to file with the Congress, within 60 days after the end of each fiscal year, a complete list of all contracts in excess of

\$50,000, including contracts for the purchase of land, undertaken during such fiscal year for the expenditure of funds appropriated by this or any other act, showing (1) a summary of the subject matter of each contract; (2) the names of the contractors; (3) the names of the persons who approved the specifications, consummated the making or concluded the negotiation of any such contract on behalf of the Government, and of all persons who participated in the negotiations on behalf of the contractor; (4) if any such contract was awarded without competitive bidding, a statement of the principal or controlling reason for the selection of the contractor; and (5) as to contracts for the purchase of land, also the location, area, intended use, the purchase price, and assessed value thereof."

The amendment was agreed to.

The next amendment was, on page 47, after line 9, to strike out:

SEC. 402A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as "final payment" to any contractor who fails to file with the procuring agency a certificate of costs and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent.

The PRESIDING OFFICER. Without objection, this amendment will be passed over.

The next amendment was, on page 48, line 19, after the word "exceed", to strike out "\$862.50" and insert "\$925."

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the clerks will renumber the sections to conform to the amendments agreed to this day.

Mr. McKELLAR. Mr. President, I ask unanimous consent that I may offer at this time an amendment on page 48, line 19, before the period, to insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McNARY. Mr. President, may we have the amendment stated by the clerk?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, line 19, before the period, it is proposed to insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McKELLAR. Mr. President, that amendment arises in this way: There was a limitation of \$750 on the purchase of automobiles.

Mr. McNARY. On how many automobiles?

Mr. McKELLAR. The limitation of \$750 applied to one automobile. Some time ago the Army desired quite a large number of automobiles, and gave an order for them. The Ford Co. notified the Army that it could not furnish the automobiles in the limited time specified because of the order which forbade the manufacture of automobiles and turned the automotive industry into an arms-producing industry, unless overtime were allowed. The Department went to the Judge Advocate General, and the Judge Advocate General gave an opinion to the

effect that under the peculiar circumstances the Army had a right to pay more. The Army thereupon bought 9,300 automobiles at \$770 each, instead of \$750. The purpose of the amendment is to validate that purchase. The Army officials acted upon the opinion of the Judge Advocate General. It seems there was some mistake about that opinion. The Army has already received a large number of the automobiles, and they actually cost \$20 more. The difference between the limitation and the actual cost was \$20.

Mr. McNARY. How many automobiles are involved?

Mr. McKELLAR. Nine thousand three hundred. The amount involved is about \$193,000.

Mr. McNARY. To what use are the automobiles put?

Mr. McKELLAR. They are put to all the uses for which cars are employed in the Army and Navy.

Mr. McNARY. That is a very general answer.

Mr. McKELLAR. It is; and only very general language was given to us.

Mr. McNARY. I object to the consideration of the amendment today.

Mr. McKELLAR. I give notice that I shall bring up the amendment tomorrow. I am doing so under the instructions of the committee. I have already given notice, as required by the rules.

In order to clear up the record in connection with the amendment going over until tomorrow, there is some question as to whether we shall adjourn or take a recess. Our leader advises me that he wishes to have the Senate take a recess; but in order to be certain, I think I should ask for a ruling from the Chair as to whether, in giving the notice, we ought to specify a calendar day or a legislative day. I merely wish to be sure that we can take up this amendment tomorrow. If the Chair thinks that we cannot, I shall ask the leader to move to adjourn, until tomorrow rather than take a recess.

Mr. BARKLEY. Mr. President, I am perfectly willing to accept the ruling of the Chair. It does not make any particular difference to me whether we recess or adjourn. If we adjourn, we shall have to have what is known as a morning hour tomorrow. If we recess, that will not be necessary. It does not make any difference to me.

Mr. McKELLAR. I should much prefer to have the Chair hold that a calendar day is meant by the rule.

The PRESIDING OFFICER (Mr. BUNKER in the chair). Under the precedents, the Chair holds that in this case a day will be construed to be a calendar day.

Mr. BARKLEY. So it makes no difference whether we recess or adjourn.

The PRESIDING OFFICER. That is true.

Mr. McKELLAR. That completes the bill, with the exception of the two amendments which have gone over because of the rule.

Mr. T. FT. Mr. President, while I am opposed to the committee amendment to the pending bill proposing a limitation on profits, I am particularly opposed to the terms in which that amendment is

written. It seems to me that those terms are unreasonable, and that they prescribe no standard whatever. At this time I wish to submit a substitute for the amendment proposed by the committee. Unfortunately, I was not able to see the committee amendment until this morning. My amendment has been very hastily prepared. While it has in it the general ideas I wish to present, I reserve the right to offer another amendment tomorrow. In order that it may be printed and in the hands of Senators tomorrow, I submit a substitute for the amendment proposed by the committee and ask that it be printed and lie on the table, and also printed in the RECORD.

The amendment submitted by Mr. TAFT, intended to be proposed by him to the (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, was ordered to lie on the table and to be printed, and to be printed in the RECORD, as follows:

SEC. 402 (a) The Secretary of War, the Secretary of the Navy, and the Maritime Commission are hereby instructed to insert in every contract for an amount in excess of \$100,000 hereafter made by such department a provision for the retention by the United States or the repayment to the United States of any amount of the contract price which represents excessive profits, determined as hereinafter provided, and a provision requiring the contractor to insert in every subcontract for an amount in excess of \$100,000 made by him under such contract a provision for the retention by the United States or the repayment to the United States of any amount of the contract price representing excessive profits, determined as hereinafter provided, and a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(b) All sums provided to be paid by the contract in excess of cost, plus a percentage of the contract price determined as hereinafter provided, shall be deemed to be excess profits for the purposes of this section. The cost of performing contracts shall be determined in accordance with the method of cost accounting regularly employed in keeping the books of the contractor in question, but if no such method of cost accounting has been employed, or if the method so employed does not, in the opinion of the Profits Board hereinafter created, clearly reflect such cost, such cost shall be determined in accordance with such method as in the opinion of said Board, does clearly reflect such cost. In the case of a contractor which does not regularly employ a method of cost accounting in keeping its books, such contractor may, with the approval of the Secretary, determine the allocation of indirect costs to be made to contracts according to the ratio of direct cost of performing contracts to total costs. Irrespective of the method employed by any contractor for determining costs of performing contracts, no item of cost shall be charged to the performance of any such contract or used in any manner for the purpose of determining the cost of such performance, unless such item would have been chargeable against such contract if such contract had been subject to the provisions of section 3 of the act of March 27, 1934 (known as the Vinson-Trammell Act), prior to the enactment of the Second Revenue Act of 1940. In determining cost no allowance shall be made for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the con-

tractor, or for any other costs incurred by the contractor which are excessive and unreasonable. All taxes, including excess-profits taxes, normal taxes, and surtaxes, may be included as part of the cost.

(c) There is hereby created a Profits Board, to be made up of the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, the Secretary of the Treasury, and the Chairman of the War Production Board. Each of such members shall have the right to appoint a substitute to serve as a member of the Board and perform all of the functions of such member. Such Board shall forthwith classify all contracts in as many classes as it may determine, giving due regard to the character of the article involved, the nature of the contract, the amount of capital required in manufacturing or other activities essential to performance of the contract, the rate of turn-over, and other factors. The Board shall then determine a proper percentage of total cost to be allowed in the case of each such type of contract, to be in no case less than 2 percent of total cost and in no case more than 10 percent of total cost. The Board shall fix such percentages of total cost for each type of contract as in its opinion will return to the contractors entering into such type of contract approximately 5 percent per annum on the capital which it has invested in the business. The percentage so fixed by the Board shall be added to the cost, and those sums in excess of the cost plus the percentage so fixed shall be deemed to be excessive profits.

(d) The Profits Board shall have power to make regulations with regard to the proper method of determining costs and percentages of cost.

Mr. BYRD. Mr. President, I should like to make a very brief statement in regard to the pending bill. I do not desire to delay consideration of the bill, but I wish to call the attention of the Senate to the fact that with the passage of this bill, containing appropriations aggregating \$19,000,000,000, there will be available an unexpended cash balance of \$100,000,000 in funds already appropriated for national defense. That \$100,000,000 does not include any contract authorizations. Neither does it include the large appropriation made for cargo ships. One hundred billion dollars lies unexpended from funds already appropriated for national defense.

Mr. President, no Member of the Senate is more anxious to see this country go forward in its defense program than is the Senator from Virginia; but it seems to me that the time must come when the Congress of the United States should ask the agencies in charge of our defense program to give some specifications as to when these huge sums will be expended. On the basis of the expenditures of last month, which were somewhat in excess of \$2,000,000,000, it will take 50 months to spend the \$100,000,000.

I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement which has been very carefully prepared, showing the defense expenditures beginning with July 1940. As the Senate may recall, that was the month following the fall of France. The statement likewise shows each month the unexpended appropriated balances for national defense. I may say that in July 1940, \$194,000,000 was appropriated for national defense, with unexpended balances for that month of \$7,764,000,000.

The statement gives the expenditures for each month and the unexpended balances for each month. I ask that the statement be incorporated in the RECORD, because I think the attention of the country should be called to the fact that, with this bill, there remains in the Treasury of the United States \$100,000,000,000 available for national defense. I think we may remember and recall that the war will not be won by appropriation bills; that this money should be expended; and that the tanks, airplanes, battleships, and other things for which the money is to be expended should be brought quickly into actual existence.

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Without objection, the statement submitted by the Senator from Virginia will be printed in the RECORD.

The statement is as follows:

Statement of national defense expenditures and unexpended balance, July 1940 to February 1942, inclusive

	Defense expenditures	Defense unexpended balances
1940:		
July.....	\$194,000,000	\$7,764,471,929
August.....	220,000,000	7,544,471,929
September.....	237,000,000	10,142,752,223
October.....	309,000,000	11,380,987,305
November.....	393,000,000	10,987,987,305
December.....	494,000,000	10,493,987,305
1941:		
January.....	591,000,000	9,902,987,305
February.....	613,000,000	9,278,487,305
March.....	773,000,000	17,387,999,682
April.....	787,000,000	19,068,686,070
May.....	858,000,000	18,319,242,070
June.....	833,000,000	17,469,175,056
July.....	966,000,000	32,102,052,926
August.....	1,129,000,000	37,517,779,089
September.....	1,327,000,000	36,190,386,406
October.....	1,534,000,000	40,800,714,246
November.....	1,446,000,000	39,355,111,665
December.....	1,847,000,000	47,095,578,301
1942:		
January.....	2,101,000,000	57,520,696,349
February.....	2,201,000,000	79,692,505,859

† Figures taken from Treasury bulletin and Daily Treasury Statements.

‡ Inclusive of \$14,045,339,974 in Naval Appropriation Act for 1943, approved Feb. 7, 1942, which amount will not be available until July 1, 1942. These balances represent the cash balances, that is, after deducting the cash expenditures; of course, there are a great many unliquidated obligations standing against all balances.

NOTE.—The statement given above of the unexpended balances available for national defense refers to what may be termed cash balances subject to immediate expenditure. These balances do not include contract authorizations, which will add many billions more to the total of \$100,000,000,000 now unexpended and available for disbursement for defense purposes. Neither do these figures include very large sums already appropriated for cargo ships and other items connected with national defense. The figures given above are the national defense expenditures exclusively, such as procurement of military supplies, construction of camps, payments to soldiers and sailors, etc.

Mr. McKELLAR. Mr. President, let me ask if consideration of the pending bill is to go over until tomorrow.

The PRESIDING OFFICER. The Chair so understands.

Mr. McKELLAR. As under a recess?

The PRESIDING OFFICER. That is correct.

RELIGIOUS FREEDOM

Mr. MEAD. Mr. President, in this holy season, a sacred and solemn occasion which culminated in an ever-joyous Easter Sunday, commemorative of Christ's resurrection, it is fitting to give thanks that we live in a land of freedom of divine worship; the equality before the law and in our social and civic life of all

forms of religious expression consistent with the common good is an American right unique in the history of peoples. It goes even beyond the theory and practice of religious tolerance, which is always a characteristic of a true democracy, and stands in compelling contrast with the situation existent in the totalitarian countries.

This distinctively American attitude toward religion began in a material sense with the forging of our Constitution, and received emphasis by being incorporated into the very first of the articles of the Bill of Rights which stated that—

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

Without interruption, the principle has continued down to this day and is unquestionably the choicest right in our American heritage. It is the keystone of our Republic.

The antithesis of this right of each and every American citizen—Catholic, Protestant, or Jew—to worship God in his own way and to believe theological and ethical doctrines dictated to him by his own conscience, without political interference, active or positive, is an attitude of those states which claim to be morally omnipotent. It is true that in this terrible war in which the whole world is engulfed there is no clear-cut line of demarcation between the two groups of combatants on the basis of religious tolerance; but, by and large, this principle is more widely recognized on the part of the Allied Nations than it is on the side of the Axis. To say that this is exclusively a holy war would be an error of oversimplification; but it will be most difficult for us to preserve our traditional American religious freedom if we are conquered by the Axis. Violent terroristic measures effectuated by the sword can crush this freedom more effectively than can peaceful antireligious indoctrination.

What will happen in the matter of religious freedom if there is an Axis victory may be inferred from what has taken place in religion-loving Germany under Hitler. Italy would not be strong enough to interfere with the German pattern of subordinating church to state even if Italy wished to do so. Japan—which, as a nation, has never forsaken its program, not even in a nominal sense—would certainly have no reason to preserve our religious liberty. The religious situation in Nazi Germany speaks for itself.

The persecution of organized religion has become a recognized and common weapon in the hands of Nazi leaders. They would replace belief in God with belief in Hitler, and would make a religious nazi-ism. Rosenberg, the leader of the new national pagan church in Nazi Germany, said at the Nuremberg party congress in 1938:

I am absolutely clear in my mind, and I think I can speak for the Fuehrer as well, that both the Catholic Church and the Evangelical Confessional Church as they exist at present must vanish from the life of the people.

The basic principles of the pagan religion which Rosenberg plans as the National Reich Church have been published

in a 30-point program which reached our American press late last fall.

Briefly, under this new National Reich Church, the Holy Bible is banned from the altars of all churches, and the holy book of the new religion becomes Hitler's *Mein Kampf*. The cross is removed from the altars of all churches, to be replaced by a sword and the swastika. Baptism and the religious ceremonies of marriage and burial are abolished. All church property of all faiths will be handed over to the state.

Let me quote in their entirety points 4 and 5 of the Rosenberg plan. They are:

Other churches or religious associations, above all those based on international bodies or directed from abroad, will not be tolerated in Germany by the National Reich Church. The National Reich Church is immutably fixed in its one objective: to destroy the Christian belief imported into Germany in the unfortunate year 800, which tenets conflict with both the heart and mentality of the German.

Point seven declares:

There will be no * * * pastors, chaplains, or religious orders; only the national "orators," who are state functionaries, will be allowed to speak.

Services are to be held on Saturday night.

In another point Rosenberg says:

All church property belonging to all confessions shall be immediately handed over to the state.

In other points:

Immediate cessation of the printing of the Bible—

as well as its distribution or importation, is demanded. All religious papers are to be suppressed.

Accompanying the suppression of the ceremony of baptism is the requirement that parents of a new baby swear an oath before the altar of the Reich church that they are Aryan. They must vow also—

To bring up their child in the German spirit for the German people—

before he may receive a birth certificate as a German citizen.

There is a similar oath for marriage. Good Friday is replaced by a youth day, and all other religious festivals, as we know them, are abolished.

Such a program is progressing rapidly within Germany. Christian church property is continually being confiscated. Jewish synagogues and temples have long since been destroyed. Strict Nazi circles eliminated Christian ceremonies some time ago. On June 1, 1941, all Catholic periodicals, bulletins, and newspapers were forced by the Nazis to cease publication. The same thing is true of Protestant religious publications in Nazi Germany.

The National Catholic Welfare Conference in the United States, which represents all the Catholic bishops in the United States, has received word from abroad that all Catholic monasteries in Nazi Germany have now been closed by government order. Many Protestant religious buildings suffered a similar fate long ago.

We all know of the horrors suffered by victims of the new order in countries

occupied by the Nazis. Among the worst sufferers was Catholic Poland. The excellent pamphlet on Nazi propaganda tactics, *Divide and Conquer*, published by the Office of Facts and Figures this past week, stated that according to Cardinal Hlond, of Poland, the Catholic Church has been practically wiped out in western or Nazi Poland. Three-quarters of the population have been deprived of the services of the church, even on their death beds. Think of it—even on their death beds.

In 2 archdioceses in Poland 1,338 religious buildings have been destroyed or closed, of which over 600 were churches. One thousand three hundred and thirty-eight houses of God defiled openly in only these 2 provinces. The sum total of damage done by the Nazis in western Poland alone is too staggering to contemplate.

Now, let me tell my fellow Senators what the new Nazi Party leader, Bormann, who has taken the place of Rudolf Hess as Hitler's right-hand man in the nefarious Nazi dealings, had to say about the fate of Christianity in the German state.

In a document which was intended for his party subordinates, and which fell into the hands of Douglas Miller, former commercial attaché at the American Embassy in Berlin, Bormann said that Christianity in the German state must be annihilated forever.

Bormann said:

Nazi and Christian ideologies are irreconcilable. The Christian church is based on the ignorance of mankind, for only thus are the Christian churches able to maintain their power.

Think of it! The Nazi religion, according to Bormann, is based on the "latest of scientific research"—research that has brought death and destruction to millions of people within and without Nazi Germany.

The Nazi philosophy, on the other hand, according to Bormann, is based—I quote—on the "latest of scientific research."

The Nazi Party leader remarks further on Christianity. Nobody would know anything about Christianity, he says, if he had not been "stuffed" with it in his youth by the priests. Thus states Bormann, if German youth hear nothing more of Christianity, whose doctrine he considers so inferior to the German ideals, "Christianity will cease to exist."

Every influence, says Bormann, which might diminish or injure Hitler's leadership must be eliminated. He states: "The people must be liberated more and more from the churches, and their parasites, the priests. Such influence must be broken, absolutely and definitely."

Everyone, no doubt, is familiar with the heroic efforts of that distinguished Lutheran churchman, Rev. Dr. Neimöller, and I am sure that many heard over the radio a few days ago what happened to a leading churchman in Norway who undertook to resent restrictions and limitations upon his church and his people. In the concluding statement of the report it was explained that that churchman is now listed among the "missing."

I quote Bormann's concluding words. Mark them well, my colleagues, for the deadly purpose of the Nazi leaders has never been more definitely stated than here. Bormann declares:

Just as the obnoxious influence of astrologists, soothsayers, and other swindlers has been suppressed and eliminated by the state, so must the power and influence of the churches be annihilated forever. Only after this has been achieved . . . will the existence of the nation and the Reich be assured forever.

This then is an admission, from the Nazi Party leader himself, that God stands in the way of the continued existence of the Nazi state.

Certainly we know that men who live according to the laws of God could never be a party to that most dastardly of Nazi crimes against the German people themselves—the so-called mercy killings.

The doing away with innocent citizens, which the Nazis call mercy killings, can be explained only as the murder of German citizens with the approval of the German state. The excuse for murder is that these German citizens are "unproductive." In other words, if one is maimed, blind, or injured in some manner which makes him unable to play what the Nazis consider a productive part in the life of the country, he is murdered, in cold blood, by his own leaders. God alone knows what terrible crimes have been committed against the foes of the Nazis inside Germany, against those who do not conform to the Nazi pattern, by this nefarious scheme of legalized murder.

A German bishop, inside Germany, had the courage not long ago to denounce this terrible blood-chilling practice in a sermon delivered in Westphalia, which was recently smuggled out of Germany. The bishop of Muenster, Clemens von Galen, one of Germany's leading churchmen, declared in this sermon:

According to what I have learned on good authority, the practice in homes and clinics in Westphalia is to draw up lists of patients who are transferred elsewhere as unproductive citizens, and after some time they are put to death.

Some disease or other is given as the cause of death—

Says Bishop von Galen—

but as the bodies are immediately cremated, neither their families nor the regular police can afterwards find out whether the disease is genuine or what really was the cause of the death.

The bishop commented:

It is the thought that these patients are like old machines which can no longer work. Like an old horse which has become incurably lame, or like a cow which can no longer give milk.

The bishop continued:

If one admits the principle that unproductive men can be killed, then woe to our gallant soldiers who come back to their country wounded, maimed, or sick. None of us will be sure of his life.

The good bishop, in his concluding words, summed up the conditions which have come about in Germany, in the Nazi state where all freedom, as well as

religious freedom, has been eliminated from the life of the people. He declares:

The name of God is constantly ridiculed, dishonored, and blasphemed. As for the first commandment, men have been created according to their own good pleasure, false gods to adore—nature, the state, the people, the race.

Is it surprising then—

Bishop von Galen asks—

that they also try to claim divine prerogatives, and to make themselves the masters of the life and death of their neighbors?

In reciting these facts, I know that Nazi Germany is not the only country since the end of the first World War to embark upon an insane policy of religious persecution aimed at the destruction of Christianity upon which ultimately our own American creed of liberty of religious freedom rests. But in the present situation, it is the Nazi leaders who constitute the greatest, immediate menace to the survival of the American manner of dealing with the problem of divinity of religious convictions among men. Surely that fact should weigh heavily on the side of our decision to defeat our enemies, while giving thanks to Almighty God in this holy season for His aid in raising up a republic of freemen who are pledged to maintain and defend that ideal of surpassing splendor—religious liberty.

The religious-loving Protestants, Catholics, and Jews of Germany are Hitler's victims today. The nations he has conquered have lost their right to practice the religion of their choice. This dread menace must never come to the Americas.

SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. MEAD. Mr. President, I desire to offer to the pending bill an amendment which, in my judgment, is in keeping with the religious spirit that fills our hearts and our souls at this holy season of Easter tide. We all know that in the conduct of the war, and the letting of defense contracts, racial and religious discrimination has, unfortunately, crept in here and there; that men whose parents came from certain portions of Europe and men, although their sons are in the Army have been, because of their names or color, listed as unworthy or unwanted in some of our defense industries, and in the work on some of our defense contracts. As the appropriation bill before the Senate has to do with defense work and defense contracts, I desire to offer an amendment which is aimed to prevent discrimination against or in favor of any employee or prospective employee or applicant for employment because of his race, color, or creed and to provide suitable penalties for the violation of this mandate. I offer the amendment to the pending bill.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

Mr. BROOKS. Mr. President, speaking of the amendment which was just offered, I wish to approve its purpose, and referring to the bill which is before the Senate, those of us who heard the testimony pertaining to the bill feel that it should be passed, and I intend to vote for it. However, there is a growing feeling throughout the country, a feeling which has been expressed here in the Senate, that we will not be able to expend efficiently and intelligently the vast and unheard-of sums we have appropriated for the war effort. The objectives and the purposes for which we are asked to appropriate these funds are good, and it remains for those who administer our vast war effort to put them to the most efficient and effective use.

In the ultimate analysis, the measure of production is labor and energy—that is, man-hours and kilowatt-hours.

The real cost of the production of a gun, tank, plane, ship, supplies, or munitions is the man-hours and the kilowatt-hours required for their fabrication, plus the man-hours and kilowatt-hours to produce the materials from which the item is made, plus the man-hours and the kilowatt-hours for the upkeep of the plant, plus the man-hours and the kilowatt-hours to supply the personal needs of the men doing the work.

The fact that these essential elements have not been properly analyzed and coordinated is undoubtedly responsible for some of the lag and delay in our war production to date.

The bill under consideration provides for vastly expanding facilities for a larger Navy and the Marine Corps, and provides for the clerks to register the manpower of the entire country. It is certainly evident now that this war effort will tax to the extreme every ounce of manpower possible for the military service, plus every possible ounce of manpower, and plus every possible kilowatt-hour for production, plus the financial resources of the entire Nation. I am sure that by now we realize that mere dollars, even if we had them, can produce nothing.

The system of employment now pursued is bringing much concern to a very large percentage of our population, for it is depriving them of an opportunity to join in the war program. Not thousands but millions of our people are kept in unemployment because of age limits, and hundreds of thousands are discriminated against because of race or color. These conditions must be corrected if, as we hope, we are to have complete unity and maximum production.

Imagine, if you can, the establishment of an age limit that would deprive us, in many instances, of our most experienced industrialists who are successfully setting up the vast assembly and supply lines for the most rapid and efficient production of our war materials.

On the other hand, we are practically eliminating the great army of World War men, who gave their energies in the first great World War. I speak now of the approximately 5,000,000 men who were called into the service in 1917 and 1918. These men are now beyond the age of 45.

They are subject to registration, but are not acceptable for enlistment except in a few instances.

The Army established a low age limit in many classifications not exceeding 35 years for both officers and men. The Navy maximum is 50 for lieutenant commanders, and 44 for lieutenants. The Merchant Marine has done a little better, with a maximum of 54 years. The United States Civil Service Commission raised some of its age limits to 57.

In industry the limitations have been so great, even for such simple positions as guards, that both older men and women have been deprived of opportunities to obtain employment.

Recently the War Department asked men who had been officers in the World War to submit questionnaires for commissions or administrative employment. An unusually large number of applicants responded, but, as yet, little has been done toward the commissioning or the appointment of these older men.

So impressive is this ban on age that even graduates of West Point and of the United States Naval Academy, who normally would retire at 64, are not called from the reserves into active service after they are 60. These men could easily take the places of younger men at desk positions, releasing the younger men for the more active service.

When it is considered that persons must reach 65 before being eligible for old-age assistance in many States, it will be understood how serious this situation is in regard to our old people, especially with the cost of living rising, while they are denied employment. This unemployment rigor also extends to the partially physically incapacitated who might, during this emergency, be safely employed in many lines of industry.

I have received an unusually large number of inquiries from these older people asking for an opportunity to participate in the defense of their country, and while we are appropriating this additional vast amount of public money, I take this opportunity of calling these facts to the attention of those charged with the administration of the war effort, the Army, Navy, and Marine Corps, and particularly those who are to award these contracts, for they can certainly influence industry to start now in a vastly increased manner to relinquish some of their more rigid regulations, and to pull back these older people, training them during this period, before the sturdy and the strong young men of America will be called upon for extended active service in the armed forces of the Nation.

Mr. PEPPER. Mr. President, I submit the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendments, namely: At the proper place in the bill insert the following additional sections:

Sec. —. It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition

precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year, or by fine not exceeding \$1,000.

Sec. —. The President shall proclaim a day, and, if necessary, in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property, and interest on money, and the standard maximum level of compensation for all services.

The price or compensation existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclamation by the President become the standard maximum price for the acquisition, or use of all goods, articles, or commodities, including rental of property, and rates of interest and the standard maximum level of compensation for services to which such price, or compensation, respectively, applied at such time: *Provided, however,* That the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may whenever it deem such action necessary to the effective prosecution of the war, and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

If any such maximum price or maximum compensation is altered as herein provided by the Office of Price Administration with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, then the price or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property, or interest on money, capital, or credit, or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may when no price level for the acquisition or use of any goods, articles, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit, and the maximum compensation for any such services.

Any person charging or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital, or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year, or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only.

Mr. PEPPER also submitted amendments intended to be proposed by him to House bill 6868, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

The PRESIDING OFFICER. The notice will be received and printed in the RECORD.

Mr. O'MAHONEY. Mr. President, I ask the Senator from Florida to state the purport of the amendment he has just sent to the desk to be printed.

Mr. PEPPER. There are two amendments. The first makes it unlawful to impose any charge in the nature of an initiation fee or charge as a condition precedent to the right or opportunity for a person to work upon any war work as defined by the War Production Board. As the Senator will observe, it is intended to strike at the evil, which has unhappily and unfortunately grown up in the country, of requiring excessive sums to be paid by would-be workers on defense projects as a precedent to their opportunity to begin work.

The second amendment may perhaps best be described as being a statement in my own feeble way of the Baruch plan for fixing an over-all ceiling on prices of all kinds of goods, commodities, and articles, including rents of real property, and including interest on money, and a ceiling on compensation to be paid for services.

The amendment contemplates that the President shall proclaim a certain day, or, if in his decision it is necessary, a particular time of day as well, which shall be considered for the duration of the war as the day on which existed the standard maximum level of prices and compensation. That standard maximum level is made the standard for the duration of the war, but power is conferred upon the Office of Price Administration, when acting in concurrence with the Chairman of the War Production Board or his representative, and the Chairman of the Economic Warfare Board or his representative, to alter the price or compensation for services existing upon the date chosen and proclaimed by the President.

The amendment also gives the Office of Price Administration, with the concurrence of the Chairman of the War Production Board or his representative and the Chairman of the Economic Warfare Board or his representative, the power to fix as a maximum standard any price or compensation for services for which there was not a standard on the day proclaimed by the President.

The amendment provides a penalty to be imposed on anyone who violates the standards which are thus prescribed, and it specifically limits the application of the law to the duration of the war.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HAYDEN. I had stepped out of the Chamber for a moment, and I wish to ask about the procedure. Is the Senator describing a proposed amendment?

Mr. PEPPER. I have offered two amendments to be proposed to the pending appropriation bill, and have given notice in writing that I shall proceed to ask for a waiver of the rule so that the amendments may be considered hereafter, when it is possible under the rules of the Senate.

Mr. O'MAHONEY. Mr. President, when the Senator from Florida rose to give notice of his desire to seek a waiver of the rule in order to offer two amendments to the pending appropriation bill, I interrupted him to ask whether he would be good enough to describe to us what the proposed amendments were.

He has just concluded his statement in reply to my request.

I was about to remark that this suggestion by the Senator from Florida is an indication of the wisdom of the fundamental rule of the Senate against legislative amendments upon an appropriation bill. The experience of legislative bodies has been, over a long period of years, that proper consideration cannot be given to legislative matters when they are offered as riders to appropriation bills. Therefore, the rule has always been that no such amendment can be offered unless two-thirds of the Senators agree that it should be offered.

I wish to say to the Senator from Florida that I am in complete agreement with him that the Baruch plan, or some plan very similar to it with respect to price stabilization, should be adopted. During the debate upon the price-control bill I pointed out that, in my judgment, that measure was defective, that it would not serve its purpose. The appropriation bill which the Senator from Tennessee [Mr. McKELLAR] has brought before the Senate after careful consideration by the Committee on Appropriations is in itself a demonstration of the validity of this contention, because there are in the bill numerous items of increased appropriation which have been made necessary by increased prices.

My feeling is that the subject matter of the amendments to be suggested by the Senator from Florida is of such tremendous importance that they should not be considered at this time. I feel that if there is one thing the Congress owes to the people of the country it is that it shall give consideration and deliberate judgment to the legislation which is proposed.

Mr. McKELLAR. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. I simply wished to say that I am sure the Senator would not say that the proposal concerning the reexamination of contracts, renegotiation and fixing of contract prices in contracts, is an example of the general suggestion he has made. The House inserted in the bill as passed by it a provision on this very subject, which the Senate committee have stricken out, as it was perfectly proper to do.

I will submit to the Senator another question in that regard.

Mr. O'MAHONEY. Mr. President, I did not mention that amendment at all. The Senator from Tennessee was not on the floor at the time I spoke of the matter.

Mr. McKELLAR. No; I have just come into the Chamber.

Mr. O'MAHONEY. The Senate was about to recess when the Senator from Florida [Mr. PEPPER] rose and gave notice of an intention to move a suspension of the rule in order that two amendments might be added to the bill. The first of these amendments is one which undertakes, as I understand his description, to place a limitation upon the initiation fee which may be charged by labor unions to persons who present themselves for work upon any war contract.

Mr. PEPPER. To prohibit,

Mr. O'MAHONEY. To prohibit. Not to limit, but to prohibit. The second amendment is to propose in substance the Baruch plan.

I interrupted the Senator from Florida to remark that when he asks that two such far-reaching amendments be added to an appropriation bill he is only demonstrating the validity of the rule against legislative riders upon an appropriation bill.

Mr. McKELLAR. That is true, and I agree with the Senator, because in the instant case, I will say to the Senator from Florida, the Appropriations Committee has had no opportunity to consider the proposed legislation. But I thought the Senator also suggested as falling within the purview of the point made by him the amendment which was directed by the committee to be offered on the floor, and which will be offered on the floor tomorrow by the chairman of the committee.

Mr. O'MAHONEY. Mr. President, I had not even mentioned that amendment.

Mr. McKELLAR. I am glad to know that. I will say to the Senator from Florida that the difference between the two is tremendously striking in this respect. I think the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Arizona [Mr. HAYDEN], and all other Senators who are on the Appropriations Committee will agree with me when I say that the amendment on which we shall vote tomorrow concerning the reexamination of contracts and profits made under the war contracts, has been as carefully examined into as any proposal ever was by any committee since I have been here.

Mr. O'MAHONEY. Mr. President, I think the Senator is covering a great deal of territory in that statement.

Mr. McKELLAR. I am covering this much territory: I have been in the Senate for 26 years, and I have never seen an amendment given more careful consideration by any committee than that amendment was given, and the Senator from Wyoming probably gave it more attention than any other member of the committee.

Mr. O'MAHONEY. No, Mr. President, I would not accept that compliment. I do want to say here and now that the Senator from Tennessee, who is chairman of the subcommittee in charge of the pending deficiency bill, has been most considerate of all members of the committee, and a great deal of attention has been devoted to the particular amendment dealing with the renegotiation of war contracts. There can be no doubt about that. That amendment is altogether in harmony with the provisions of the bill itself. The Case amendment, so-called, presented in the other House, was in the form of a limitation on appropriations. I am ready to say that under the leadership of the Senator from Tennessee the committee has been most careful and most meticulous in its consideration of this problem; but it opens the door to the amendments which are now being proposed by the Senator from Florida, which, of course, deal with some of the most fundamental problems that

are before the Congress, some of the most fundamental problems that are before the administration, but upon which no judgment has as yet been announced by the legislative committees charged with the responsibility for those provisions.

Mr. PEPPER. Mr. President, will the Senators allow me to read the two amendments, because they will not be in print until tomorrow morning; and if any Senators are interested in their contents, I should like to advise them so far as possible. The first amendment, which will be proposed tomorrow, reads as follows:

It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000.

The second amendment reads as follows:

The President shall proclaim a day, and if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property and interest on money, and the standard maximum level of compensation for all services.

The price or compensation, existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclamation by the President become the standard maximum price for the acquisition, or use of all goods, articles, or commodities, including rental of property, and rates of interest, and the standard maximum level of compensation for services to which such price or compensation, respectively, applied at such time: *Provided, however,* That the Office of Price Administration, with the concurrence of the Chairman or his representative of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deem such action necessary to the effective prosecution of the war, and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

If any such maximum price, or maximum compensation is altered, as herein provided, by the Office of Price Administration, with the concurrence of the chairman, or his representative, of the War Production Board, and the chairman, or his representative, of the Board of Economic Warfare, then the price, or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property, or interest on money, capital, or credit or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the chairman, or his representative, of the War Production Board, and the chairman, or his representative, of the Board of Economic Warfare, may when no price level for the acquisition, or use of any goods, articles, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition, or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit, and the maximum compensation for any such services.

Any person charging, or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital, or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year, or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only.

Mr. HAYDEN. I should like to inquire of the Senator whether either one of those proposals has ever been submitted to or considered by any committee.

Mr. PEPPER. Does the Senator mean the substance of the amendments?

Mr. HAYDEN. Yes; the substance of them.

Mr. PEPPER. I do not know that the first one—prohibiting the payment of initiation fees before persons can work upon war work—has been considered by any committee, but I understand that on one occasion the Senate Banking and Currency Committee, in consideration of the price-control bill, did consider the general subject which is covered in the second amendment—the so-called Baruch plan. I have been told by Mr. Baruch that it was his understanding that his testimony before the House Banking and Currency Committee, which I have read, was also incorporated in the hearings in the Senate committee. So, to answer the Senator's question, the Senate Banking and Currency Committee, so far as I am informed, did have an opportunity, when considering the price-control bill, to consider that general plan and that general purpose. I have submitted neither one of these amendments to any committee of the Senate because I have not had an opportunity to do so.

Mr. HAYDEN. But at the time consideration was given to the Baruch plan the country was not at war.

Mr. PEPPER. No; the country was not at war at that time. That is my understanding.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROWN. So as to keep the record straight with regard to the consideration of the Baruch plan by the Senate Committee on Banking and Currency, I wish to say that the Senator from Florida has accurately stated the situation. Mr. Baruch testified at some length before the House committee. His testimony as given before the House committee was introduced in the record of the hearings of the Committee on Banking and Currency of the Senate. That happened to occur, I will say to the Senator from Arizona [Mr. HAYDEN], after Pearl Harbor. We started our hearings on the 9th of December, the Tuesday after Pearl Harbor. I may add, however, that no serious consideration was given to the plan, because it was felt both by the great majority of Senators on the subcommittee and by those in charge of the matter uptown in the administration—Mr. Henderson and others—that we could adequately cover the situation by the enactment of the legislation substantially as it was enacted.

With the permission of the Senator from Florida, I should like to say that it

seems to me the administration, the Senate—in fact, the entire Congress—have overlooked a very important provision in the price-control bill which consists of one sentence of just a few lines, which I shall read:

It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction to work toward a stabilization of prices, fair and equitable wages, and cost of production.

It is my judgment, Mr. President, that if the administrative authorities gave full force and effect to the congressional policy laid down in section 1 of the act, considering that in connection with the no-strike policy of labor we could adequately cover this entire matter. In other words, Congress told the administrative authorities in charge of the regulation of wages and hours that it was our policy that wages should be stabilized as of the date of the enactment of the law, which was January 30, 1942. If the administrative authorities would take cognizance of section 1 of the act, as they should do, and administer it as Congress intended they should administer it, the authorities we have already set up, which are named in section 1 of the act, would have a definite statement of what the policy of Congress is—that is that wages should be stabilized as of the date of enactment of the law.

I understand something about the Baruch plan. The only difference between what we did in the price-control bill and the Baruch plan was this: In the price-control bill we gave the authority of control over prices to the Price Administrator, and we left the authority controlling wages in the boards which have already been established for that purpose, on the general theory that it was altogether too big a job to go to the Price Administrator; but the various agencies were told to coordinate their wage stabilization with the price stabilization of Mr. Henderson. About 5 or 6 weeks ago, Mr. Henderson, very wisely called the attention of the administrative authorities to section 1 of the act and urged action under it. It is my judgment that if they would follow the congressional policy laid down in section 1 we should have adequate control of the price situation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. O'MAHONEY. Let me ask the Senator from Michigan whether there is anything in the price-control bill which in any way whatsoever undertakes to control profits?

Mr. BROWN. In the same section to which I have referred there is a direction that insofar as wages are concerned, in their relationship to the cost of production, they shall be stabilized substantially as of January 30.

Mr. O'MAHONEY. I am aware of that.

Mr. BROWN. However, I will say frankly to the Senator from Wyoming, that we did not attempt in the price-control bill to control the matter of profits, because it was our idea that that problem could be better dealt with in a tax bill. The Senator from Ohio [Mr. TAFT] and I perhaps had more to do with the make-up of this particular section than anyone else, but I will give first honors in that connection to the Senator from Ohio. We both happened to be members of the Finance Committee. We felt that the matter of profits could best be taken care of through a tax bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. The Senator is correct. Before we go on I should like to answer the Senator from Wyoming. There is something in the price-control bill having to do with profits and production. In determining the price the Administrator shall take into consideration any increase or decrease in profits in the year ending October 1, 1941, or subsequent thereto. So there is a reference to profits. However, they are not intended to be the predominant factor in fixing prices.

Mr. O'MAHONEY. When the Price Administrator fixes prices he does so for everybody in the industry. Profits are individual, but price ceilings are universal.

Mr. TAFT. I happen to know of two industries, the semivitrified china industry and the vitreous china industry, in which he has determined what the profits were for this year, and has based his price fixing probably on the fact that profits were greater in 1941 than they were in 1940.

Mr. O'MAHONEY. The Senator refers to the over-all profit for the entire industry?

Mr. TAFT. The over-all profit for the entire industry, which is a rather limited industry, with a limited number of plants which are more or less in the same situation.

Mr. BROWN. The subject of control of profits in connection with Government contracts was not in any way covered by the price-control bill. That is the subject in which we are now particularly interested.

Mr. O'MAHONEY. Having obtained answers from the Senator from Michigan and the Senator from Ohio to the effect that in the price-control bill there is no specific control of profits as such, I ask the Senator from Florida whether in the proposal which he offers there is any attempt to control profits.

Mr. PEPPER. It is the intent of this proposal to vest that power in the Office of the Price Administrator, with the concurrence of the Chairman of the War Production Board, or his representative, and of the Chairman of the Board of Economic Warfare, or his representative. It might be more clearly stated than it is in the amendment, but it was intended that in their power to fix prices in any case or class of cases they should have the power to fix profits, and in that way

would be able effectively to control that question.

Mr. O'MAHONEY. By way of illustrating the difficulties of reaching any considered conclusion in this matter, I wish to read the text of the Senator's amendment dealing with this particular problem:

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board—

Observe that there is a broad delegation of power from the Chairman to any representative he may choose—

and the Chairman, or his representative, of the Board of Economic Warfare—

If I were inclined to make a wise-crack, I might say that that would make it possible to delegate this power to any one of numerous individuals against whom the gentleman from Texas [Representative DIES] has recently been directing his shafts.

Mr. PEPPER. If the Chairman of the Board of Economic Warfare were to abuse his privilege in that way, it would be a matter for scrutiny by Congress and the country.

Mr. O'MAHONEY. Let me proceed—may when no price level for the acquisition, or use of any goods, article, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition, or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit and the maximum compensation for any such services.

I am ready to acknowledge that the Senator from Florida is a very gifted, able and eloquent Member of this body; but I think he will find great difficulty in reading into any of the language which I have just quoted from his amendment any power to control profits.

Mr. PEPPER. The Senator did not read the section under which I intended that power to exist.

Mr. O'MAHONEY. I intended to do so.

Mr. PEPPER. I am sure the Senator did. The paragraph to which I invite his attention reads as follows:

The price, or compensation, existing at the time fixed in the proclamation of the President shall, for the duration of the war or until the revocation of the Presidential proclamation by the President, become the standard maximum price for the acquisition or use of all goods, articles, or commodities, including rental of property, and rates of interest and the standard maximum level of compensation for services to which such price, or compensation, respectively, applied at such time: *Provided, however*, That the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deems such action necessary to the effective prosecution of the war and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

Mr. O'MAHONEY. I submit that that is merely the escape clause of the Baruch

proposal, intended to permit the price levels to be increased. I will say to the Senator that while the Appropriations Committee was considering the problem of controlling profits, I had the opportunity of reading to the subcommittee the tentative draft which was proposed by Mr. Baruch in his very notable article of several years ago; and we were disappointed to find that there was no specific reference there to profits, and so the suggestion which several members of the committee had in mind, of offering the Baruch plan as a substitute for the plans which were under consideration, was abandoned.

Let me again call to the attention of the Senator the first paragraph of his amendment:

The President shall proclaim a day, and if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property, and interest on money, and the standard maximum level of compensation for all services.

Obviously that sentence contains a very controversial suggestion. It gives authority to the President to pick out any day within the past 2 years and to fix that day as the day which will control the price of any particular commodity. The fixing of prices for particular industries, for particular commodities, and for particular sections of the country would open the door wide to all sorts of abuse—not intentional abuse, but unintentional abuse. It would be utterly and completely unjust. My own feeling is that the plan to be adopted should be an over-all plan at the present time, not with authority to the President or anybody else to go back into the past and select a particular date which might be good for the industries of Florida and bad for the industries of Maine, or good for the industries of Wyoming and bad for the industries of Michigan. It is an utterly impossible suggestion, as it seems to me. However, my point now is not to discuss the merits of the Senator's proposal, because in principle I quite agree with him as to it; but I point out how perfectly impossible it is for the Senate to legislate intelligently and beneficially in such a manner.

Mr. HAYDEN. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. HAYDEN. A moment ago the Senator from Wyoming made a statement which I think should be corrected by reading the pertinent rule of the Senate.

Mr. O'MAHONEY. I hope the Senator will correct me if I was mistaken.

Mr. HAYDEN. The proposal submitted by the Senator from Tennessee [Mr. McKellar] is a committee amendment which deals with the question of regulating the profits made under Government contracts. It deals with that very narrow question. The Senator from Wyoming implied that the amendments proposed by the Senator from Florida would be in order on an amendment of

that kind; that the committee amendment, if agreed to, would open the door; and that anything could be put on.

I desire to read the pertinent Senate rule.

Mr. O'MAHONEY. Mr. President, in order that I may protect the record of my own fairly reasonable acquaintance with the rules let me say that my point was merely that a motion to suspend the rule so as to attach a legislative rider is the same, no matter what the subject may be. Let me say that the principle of legislation on an appropriation bill is frowned upon by the rules.

Mr. HAYDEN. This is subdivision 4 of rule XVI:

No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; * * *

I wish to say very frankly to the Senator from Florida that certainly his proposals are not germane to the provisions which the committee recommends, and that, therefore, he must depend upon obtaining a two-thirds vote of the Senate to have his amendments considered.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

Mr. DANAHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Connecticut?

Mr. PEPPER. Will the Senator from Connecticut permit me to make a parliamentary inquiry before yielding to him?

Mr. DANAHER. Certainly.

Mr. PEPPER. I make the following parliamentary inquiry: I should like to know whether the present language of the appropriation bill relative to the subject of regulation of profits—the Case amendment, as it is called, I am told—violates in itself the rule against an amendment which proposes general legislation being received to any general appropriation bill, and whether the rule will have to be waived in case that matter is considered by the Senate.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair holds that in that case the amendment is a limitation, and not legislation.

Mr. PEPPER. The Chair holds that all the language in the bill which deals with the question of profits constitutes a limitation of an appropriation, and not legislation? Is that correct?

The PRESIDING OFFICER. All the language which was put in the bill in the House is so considered.

Mr. PEPPER. Yes. I understood that an additional amendment was proposed by the Senate Committee on Appropriations to be put into the bill, and I intended to address myself to the question whether an amendment proposed by the Senate Committee on Appropriations is by way of limitation or whether it is legislation which, in order to be considered by the Senate, requires a waiver of the rule, pursuant to an appropriate notice.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. McKellar]

gave notice today that he would move to suspend the rule for the purpose of offering the amendment to which the Senator from Florida has just referred.

Mr. PEPPER. So a suspension of the rule will be necessary in order to enable the Senate to consider the amendments to be offered by the Senator from Tennessee on behalf of the committee, constituting legislation on an appropriation bill?

The PRESIDING OFFICER. That raises the presumption that it would be legislation.

Mr. McKELLAR. Mr. President, I will say that I was directed by the Committee on Appropriations to submit the amendment in that way.

Mr. DANAHER. Mr. President—

Mr. PEPPER. Mr. President, just one other comment before I conclude.

I appreciate the advice of the able Senator from Arizona [Mr. HAYDEN] that, in his opinion, the amendments I have offered would not be germane to the committee amendment offered by the able Senator from Tennessee [Mr. McKELLAR]. If I understand the rules of the Senate, however, the matter of germaneness in such cases is not passed upon by the Chair, but is passed upon by the Senate itself; and, of course, the opinion of the Senator would simply constitute his own opinion and would not necessarily be determinative of the opinion of the whole Senate.

Mr. DANAHER. Mr. President—

Mr. PEPPER. Unless the Senator wishes to ask me a question, I am about to conclude.

Mr. DANAHER. I wish later to propound a parliamentary inquiry. I can do so now if the Senator chooses to yield.

Mr. PEPPER. Very well.

Mr. DANAHER. I thank the Senator.

Mr. President, I wish to ask, as a parliamentary inquiry, if the amendments proposed by the Senator from Florida should in fact be tabled tomorrow, if it could be done without prejudicing the bill as a whole.

The PRESIDING OFFICER. Under the rules of the Senate, an amendment may be laid on the table without prejudicing the bill.

Mr. DANAHER. That would be my own view as to the way to dispose of the matter, Mr. President.

Mr. PEPPER. Mr. President, I am sure the able Senator from Connecticut will be here tomorrow to express his views, and perhaps to have an opportunity to record his vote, so that it will be a matter of permanent record as to what his opinion is on this controversial subject. I am sure there are a great many persons in the country who are interested in the opinions of all of us on these controversial subjects.

Mr. President, let me say a word in conclusion. I have done what I could to get a consideration of the whole question of profits, prices, and other matters relating to the total mobilization of the country's effort as a single subject. So far I have not succeeded. Therefore the only course I know of which is available to the individual Members of the Senate is to do what the other House did, and

endeavor to attach to legislation that comes before the body subjects which the amendment makes appropriate to the measure.

I therefore tried to present these two amendments, because I think they ought to be considered in connection with any legislation on the subject of profits. I know, of course, that the subject of profits should not be dealt with on an appropriation bill; but I did not put the subject on the bill, and if the Senate is to deal with one phase of this problem tomorrow or next day, it ought to deal with all phases of it. Therefore I have offered to the Senate these amendments for the purpose of considering the whole question, and matters relating thereto, along with the consideration of the profits amendment, if it is the intention of the committee to include that subject in the consideration of the bill.

Mr. O'MAHONEY. Mr. President, I quite agree with the Senator from Florida that the method he has adopted probably is a very effective one by which to call the attention of the country and of the Government to the subject matter of his amendments; and I am hopeful that, as a result of what he has done, immediate consideration may be given to these fundamental problems.

As I understand from this very brief acquaintance with the Senator's proposal, he is asking only that the policies which are embodied in these amendments shall be incorporated in our law for the duration of the war. There is no purpose upon the part of the Senator from Florida to enunciate a permanent policy with respect to any of these matters. I think I have correctly understood him; and the Senator nods in acquiescence.

ECONOMIC TREATIES BY PRIVATE GROUPS

Mr. President, there is a permanent phase to this matter as well as a temporary phase. It has been illustrated by numerous events during the past several weeks. One of the most striking of all these, I think, was the testimony given before the Truman committee by representatives of the parent Standard Oil Co., known as the Standard Oil Co. of New Jersey, with respect to international cartels controlling patents.

There has recently been called to my attention an advertisement which appeared in the Los Angeles Times on March 27, 1942; and I ask that it may be read from the desk by the clerk.

The PRESIDING OFFICER. Without objection, the advertisement will be read.

The legislative clerk read as follows:

The Standard Oil Co. of California is in no way whatsoever involved in the assertions of the Department of Justice, concerning relationship between the Standard Oil Co. of New Jersey and Axis countries. This company is not in any way interested in the patents for the manufacture of synthetic rubber under discussion.

STANDARD OIL CO. OF CALIFORNIA.
MARCH 27, 1942.

Mr. O'MAHONEY. I think it is very significant that the Standard Oil Co. of California should find itself called upon or, perhaps, I should say that the Standard Oil Co. of California should find it desirable, in a newspaper advertisement

to disavow any connection with the cartel arrangement which was made in 1929 by the parent New Jersey corporation.

This incident suggests to my mind the desirability of entering in the CONGRESSIONAL RECORD the text of the agreement which was reached by the Standard Oil Co. of New Jersey with I. G. Farben, the German Dye Trust. It should be borne in mind that I. G. Farben was an organization created in Germany shortly after the Versailles Treaty was agreed upon, and its purpose was to reestablish monopolistic control of the dye industry by industrial leaders of Germany. The purpose went much further than that; the purpose was not only to establish worldwide control of the dye industry; the purpose also was to destroy the German Republic. The German imperialists succeeded in that purpose, and some of the leaders of I. G. Farben were the very men who financed Herr Hitler in his rise to power.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Tennessee.

Mr. McKELLAR. I ask for information whether it was found by the Truman committee that this contract or cartel was still in existence?

Mr. O'MAHONEY. The Truman committee, as I understand, has made no finding. I desire to be utterly fair and utterly just. It should be pointed out that the officers of the Standard Oil Co. of New Jersey agreed with the Department of Justice that a consent decree abolishing this particular cartel should be entered.

Mr. McKELLAR. When was that?

Mr. O'MAHONEY. I think I have a copy of the judgment on my desk, but, at any rate, the date of the decree was within the past 30 days; I do not know the exact date.

Mr. President, as I had occasion to say when the Truman committee was good enough to permit me to intervene in the hearing last week and address a few questions to Mr. Farish, the president of the Standard Oil Co., and to Mr. Howard, the vice president, I have no doubt whatsoever of the patriotism of these gentlemen; I make no charge whatever against their loyalty to America. I believe that their intention is to do everything in their power to aid the United States to win the war. As a matter of fact, I have reason to know, from personal conversations which I had several years ago with Mr. Farish, that he gave his full personal approval to the foreign policy of this Government. That, however, is altogether aside from the question.

What we are dealing with here is a fundamental effect upon the peace of the world, the prosperity of mankind, of international cartel agreements.

They amount, Mr. President, to economic treaties which are put into effect by private groups without any review whatsoever on behalf of all the people of the United States. When the founders of this Government drafted the Constitution of the United States they were so jealous of international agreements that they provided that the President

could negotiate treaties but that the treaties could not become effective until approved by the Senate of the United States by a two-thirds vote. Nevertheless, the fact stares us in the face that numerous great corporate entities existing in this country have through many years been engaged in making international economic treaties dividing world trade and fixing prices. Those treaties are written and consummated not only without any approval by any branch of the Government of the United States but without the approval even of the stockholders of the corporations which are bound by the agreements.

I said a moment ago that I thought there ought to be incorporated in the RECORD the full text of the cartel agreement which was entered into by the Standard Oil Co. of New Jersey with I. G. Farben, because, Mr. President, it tells the story in simple, straightforward language of the difficulty, of the tragedy, indeed, in which the world is involved. Governments, social organizations of all kinds, are the product of the life of men; the economic demands which are made upon individual men and women for the maintenance of their own lives are the circumstances which enter into the creation of all types of organizations, and particularly into organizations both of business and of government.

INDIVIDUAL RIGHTS SUPREME

When the Declaration of Independence was written, Mr. President, it was drafted by men who understood that the purpose of government was to enable individual men to protect those great gifts of providence—life, liberty, and the pursuit of happiness. There can be no doubt as to what this Government of ours was established to protect. The Declaration of Independence is an instrument of government which is honored by word, but frequently, I fear, is not well understood. We say we support the Declaration of Independence, but do we know what it declares? Let me read it, Mr. President, or at least a portion of it:

We hold these truths to be self-evident, that all men are created equal.

Not some men; all of them; the Filipinos, the Malaysians, the Burmese, the Hindu, the white man, the Negro, the American Indian, every man, "all men are created equal."

That they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

Observe the next phrase:

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it.

The whole reason that this world is today involved in war and that the people of this country, the Members of this Congress, and the Executive of this country are wondering what we shall do to win the war, and how it should be fought, is that the world-wide arrangements which have been made, affecting the

economic existence of all peoples, are such that they have closed the door of economic opportunity. Because economic opportunity has been restricted, governments are tottering.

Mr. McKELLAR. Mr. President, I am inclined to think the Senator is correct. But is not this the remedy? When there is a contract in restraint of trade made between citizens of our country and citizens of another country for the purpose of confining the business to themselves, and leaving others out, are not the contractors punishable under the anti-trust laws which are now on our books?

Mr. O'MAHONEY. Oh, yes, Mr. President.

VIOLATIONS OF FUNDAMENTAL LAW

Mr. McKELLAR. Cannot such agreements be abolished, be set aside, just as the particular agreement to which the Senator is referring was set aside by the court, by a consent decree of court? Could not such agreements as the Senator has mentioned be set aside in the same way?

Mr. O'MAHONEY. Yes; with great difficulty. There is no specific law requiring the registration of these cartel agreements, and one of my reasons for occupying the floor at this moment is that I intend in a few moments to present a bill which will undertake to make that necessary. It is true, as the Senator from Tennessee has very well said, that agreements of this kind are in violation of the fundamental law of our people that combinations in restraint of trade are unlawful per se. They are condemned by the common law, as the Senator, who is an experienced lawyer, well knows; but the difficulty has been in enforcing that condemnation.

Mr. McKELLAR. They are inhibited by specific statute. Just as the cartel arrangement of which the Senator has just spoken, signed by the Standard Oil and by I. G. Farben, of Germany, was restrained, all contracts made with citizens or aliens in restraint of trade come under the ban of what is known as the Sherman anti-trust law, passed many years ago.

Mr. O'MAHONEY. The Sherman anti-trust law has been more honored in the breach than in the observance.

Mr. McKELLAR. I agree; and I say to the Senator that I think his proposed bill to give further jurisdiction to our courts to deal with the matters concerning which he is speaking is very timely, and I have no doubt it will pass if the Senator pushes it.

Mr. O'MAHONEY. Let me read the agreement which was entered into by I. G. Farbenindustrie Aktiengesellschaft and Standard Oil Co. of New Jersey on the 9th day of November 1929:

I. G. Farbenindustrie Aktiengesellschaft, a German corporation, of Frankfurt-am-Main, Germany, hereinafter referred to as "I. G." and

Standard Oil Co., a corporation incorporated under the laws of the State of New Jersey, hereinafter referred to as "the company."

Whereas I. G. and the Company are two of the four parties named in the agreement of even date herewith, a copy of which is an-

nexed hereto, and the terms of which require close cooperation between I. G. and the Company along technical lines; and

Whereas the Company recognizes the preferred position of I. G. in the industries known as chemical, and I. G. recognizes the preferred position of the Company in the industries known as oil and natural gas; and

Whereas neither party has any plan or policy of so far expanding its existing business in the direction of the other party's industry as to become a serious competitor of that other party, but each recognizes that certain overlapping activities will exist—

Mr. President, let me read that paragraph of this formal agreement once more. Its importance cannot be over-emphasized.

Whereas neither party has any plan or policy of so far expanding its existing business in the direction of the other party's industry as to become a serious competitor of that other party, but each recognizes that certain overlapping activities will exist:

Now, therefore, with a view to preventing such overlap from becoming a source of mutual irritation and unwillingness to cooperate on technical lines as is required under said four-party agreement, the parties hereto have agreed that their policies shall be as follows:

ARTICLE 1. New chemical developments by the company.

Now, Mr. President, we are dealing with new chemical developments by the American Co., by the American partner to this international cartel.

If the company shall desire to initiate anywhere in the world a new chemical development not closely related to its then business, it will offer to I. G. control of such new enterprise (including the patent rights thereto) on fair and reasonable terms.

CONTROL OFFERED TO GERMAN MONOPOLY

Can it be imagined, Mr. President, that any organization created in America by operation of law would be willing to bind itself to offer control to a foreign group?

Bear in mind what I say, that the organization to which this control was offered was the very organization which destroyed the German Republic, destroyed democracy in Germany, and brought about the establishment of the present unholy dictatorship.

Mr. BONE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. I should like to have the Senator from Wyoming enter in the RECORD as a part of his remarks the last effective binding date of this contract.

Mr. O'MAHONEY. The date of the consent decree, by which, let it be remembered, the officers of Standard agreed without a suit to abandon its obligation.

Mr. BONE. On what date was the decree entered?

Mr. O'MAHONEY. Within the past 30 days; I do not recall the exact date. It was the consent decree which was brought about by the Department of Justice, under the activity of Thurman Arnold, Assistant Attorney General in charge of antitrust proceedings.

Mr. BROWN. Mr. President—
The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator

from Wyoming yield to the Senator from Michigan?

Mr. O'MAHONEY. I yield.

Mr. BROWN. The Senator does not say in his statement whether the control of patents by the Farben Co. was confined to Germany, or to Germany and her satellites, or whether the control existed with respect to patent rights all over the world.

Mr. O'MAHONEY. I was about to come to that. The understanding was, in terms and in effect, a division of the world into two groups. The Standard Oil Co. of New Jersey was to have free hand with respect to oil, and I. G. Farben was to have free hand with respect to chemicals. That is why the matter has become of such supreme importance at this time, because the synthetic-rubber process is a chemical process, control of which, under this agreement, was given to Germany.

Mr. BONE. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. BONE. I do not wish to bother the Senator from Wyoming if he desires not to be interrupted. I wonder if he objects to interruptions.

Mr. O'MAHONEY. They do not bother me at all.

Mr. BONE. Over the years the Senator and I have indulged in colloquy on the floor of the Senate about these cartel arrangements, and I think the Senator understands my attitude of mind toward them. They now, and will always, I think, present to students of history a very peculiar picture. Most students of history had come to believe that the feudal system had been shot to death in the French Revolution, but now we see feudalism in a new dress being engrafted on our capitalist society. I think it is one of the most astounding manifestations of modern history to see a feudalistic control. The baron on the hill, with his castle, disappeared, but the baron behind the mahogany desk now sits with another baron or group of barons, and, by virtue of economic control, buttressed by laws which we pass, they parcel out the whole world for exploitation.

One group takes one segment of the world, another group another segment, while we sit here thinking that we exercise power, whereas the real power—the economic power—is being exercised without limit by private individuals, through sanction of law.

I think there is one effective answer to this sort of control. I know we will probably never get around to it because we are like a small boy who has his finger in a doorjamb and is closing the door on it, the while shrieking his agony so that everyone may hear him. If it is suggested to him that he merely open the door and take his hand out, he thinks that is not the orthodox way to do it. He prefers to suffer rather than to save his finger.

These gentlemen can have all the cartel controls they please, in aluminum or anything else, but I suggest, though I realize the suggestion may perhaps cause consternation on the part of some of my brethren, that one effective answer would

be for Uncle Sam to build some aluminum factories and manufacture aluminum. Congress could control the patents and the cartel would not be worth a snap of the fingers. As a lawyer, I know that to be so, and I am sure the Senator from Wyoming knows it. I realize that it is asking too much to suggest that we manufacture aluminum for our own Government. That would not be right. It might offend high heaven if we undertook such an atrocious thing as that.

ARBITRARY POLITICAL CONTROL FOLLOWS

Mr. O'MAHONEY. I am glad the Senator has made these remarks because he points up the argument I am making. The existence of arbitrary private control over the economic lives of the people leads directly to arbitrary political control. It was precisely because I. G. Farben was controlling the economic destiny of the people of Germany and of Europe that finally the political control passed into the hands of the dictators. It is just as inevitable as the following of night after day. If we surrender economic control to a small group, we cannot quarrel if political control in the hands of a small group immediately follows.

Mr. President, what I am saying now is directed to the leaders of corporate business in the United States.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BROWN. I should not want the Senator to leave the implication that there are not at least some of us in the Senate who hope that we shall have some free enterprise in our economic relationships with other countries after the war. I think that what the Senator from Wyoming is pointing out is that the Standard Oil Co. and the I. G. Farben Co. entered into an arrangement which would be illegal under the Sherman antitrust law or the common law. In reality, the Sherman antitrust law is merely a statutory expression of the common law against monopoly.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. BROWN. I presume almost every great enterprise in my great State of Michigan—Parke, Davis & Co. in drugs, General Motors Co., the Ford Motor Co., and other great enterprises—had branches throughout the world. As the Senator knows, the Oppeln plant in Germany was owned by the General Motors Corporation when Mr. Hitler took it over in 1939, and he sent to Mr. Knudsen, through his representatives there, a little piece of paper saying, "We have taken over the Oppeln plant." Nothing was said as to whether anything would ever be paid for it; but it was taken over. I do not think we ought to leave the implication that it was unpatriotic for these great industrial enterprises to have their branch establishments in many countries of the world.

Mr. O'MAHONEY. Mr. President, the Senator does not think that I gave such an implication, does he?

Mr. BROWN. No; but I fear that such an inference might be drawn from some of the things the Senator has said. The Senator is talking about political free-

dom and economic freedom. I desire to emphasize that I do not want anything that is here said to imply that all of us, or at least the Senator from Michigan, will approve of a situation after the great scourge of war which now afflicts us shall have passed which will prevent us from giving to the 300,000,000 people of India the benefits of America's economic progress, from giving to them the benefits of mass production, of the patent rights which we have established, which enable us to make goods and merchandise beneficial to those people. In other words, I am hopeful that when the time comes we shall have a little less of narrow nationalism and a little wider participation on the part of all peoples, particularly in the Far East, in the benefits of American mass production.

Mr. O'MAHONEY. Mr. President, the Senator is now talking about a subject that is altogether different from that which I am discussing. I quite agree with him. I have no thought whatsoever that there should be any such thing as a narrow nationalism. What I am inviting the attention of the Senator from Michigan to is that in the past great organizations in this country and in Germany have entered into economic treaties without the knowledge of their government, which have resulted not only in the exploitation of the peoples of foreign countries, but have resulted in the exploitation of our own peoples.

Mr. BROWN. And which were illegal under the laws of this country.

Mr. O'MAHONEY. And which were illegal. That is correct. As I see it, there is only one way effectively to prevent that sort of thing, which is to require that when a corporation of the United States undertakes to enter into an agreement of this kind with a corporation of some foreign country, it shall at least file notice of its intention with the Government of the United States. The representatives of the people of this country ought to be apprised of the economic adventures of our private organizations throughout the world, otherwise it will be possible to discover that only by the expenditure of large sums of money and by difficult and tortuous investigations.

Mr. President, I have no desire to build up an all-powerful and arbitrary government. I wish to see private enterprise protected and preserved and maintained. I do not wish to see corporations as such brought under a regimentary policy by the Government; but I am convinced, after years of study, that there is only one way to preserve free enterprise, and that is by making certain that all private groups of this kind shall observe certain definite standards of conduct and of policy to be laid down by the Government of the United States. I would set them free from regimentation; I would not clothe any Government board or commission with the power to operate business; but if we are to avoid that, Mr. President, there is only one way to do it, and that is by having the Congress of the United States lay down the standards which shall guide the activity of these organizations. Mr. President, it will not be dreamed for a moment that

the Standard Oil Co. could have entered into an agreement not to become a serious competitor of I. G. Farben if the people of the United States knew what it was doing at the time it was doing it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. It seems to me that in merely trying to curb men's greed by resorting to some forms of publicity such as have been suggested by the Senator from Wyoming, we run into another angle of the problem which makes the publicity feature seem rather futile at times. If a private corporation has grown so great that it is, first, virtually a monopoly because of its size, and, second, it exercises monopolistic control because of control of basic patents, there is not any effective way of controlling its prices.

Let us take the field of aluminum as an example. The aluminum combine in this country is not even subjected to that form of regulation which is applied to power companies, for instance. I do not stand here and admit for one moment that that form of regulation is effective. I think it is a fake and a fraud, and it has been proven so times without number. The public has been mercilessly rooked even under this so-called regulation, when one sees the utility companies go into politics and become so potent in American life as to become the regulators of their own regulators.

But we do not have that form of regulation for certain kinds of private monopoly. They do not mind some form of publicity if they can control market prices. That is why I suggest to the Senator that if we reach a point where businessmen lay aside all those restraints which ought to be self-imposed by business which does not want to have socialistic practices put into operation in this country—and I often wonder whether these men flirt with that sort of thing—if they are not willing to impose upon themselves some reasonable and rational restraints in the matter of prices charged the public, what right have they to expect that the Government will not compete with them in time?

The Senator from Wyoming [Mr. O'MAHONEY] and I have lived long enough to know that the antitrust statute has been virtually a dead letter on the books. A few venturesome souls such as Thurman Arnold have occasionally invoked the thunderbolts of the law, but he has been roasted all over the country for doing so, and his name has been made obnoxious in many quarters because he undertook to invoke the antitrust laws of the country. After a while that spasm of virtue will die down and the public will forget about it, and we will go back to the old abuses.

I say to the Senator from Wyoming, who may not agree with me, that if we had one Government aluminum plant which could be a yardstick for aluminum, such as a gigantic power plant can be a yardstick for power in one section of the country, all the boys in the game would be good boys. The Government

then would have something in the nature of a yardstick by which it could assure reasonable prices. But if we are simply going to rely on prosecutions and publicity these slick boys are going to get around them. The Senator and I have lived long enough to know how they get around them. Look at the discussion which went on in this body for 3 or 4 years about what the Axis was doing long before we got into the war. Yet we were doing business with them right along. That is an example of how careless we are in our operations.

THE CARTEL AGREEMENT

Mr. O'MAHONEY. I was reading article I of the charter of the international I. G. Farben-Standard cartel. Let me begin again, so that Senators who have been diverted by the colloquy may pick up the thread:

ARTICLE I. New chemical developments by the company.

Meaning the Standard Oil Co.

If the company shall desire to initiate anywhere in the world a new chemical development not closely related to its then business, it will offer to I. G. control of such new enterprise (including the patent rights thereto) on fair and reasonable terms.

Examples: (a) A development not related at all is the production of artificial silk by present methods.

(b) A development related but not closely related is the production of nonhydrocarbon solvents from natural gas.

In framing this agreement, the drafters were not content with the plain statement of their purpose in the words of the article, but they gave examples of the sort of process which the company would have to give away, and the sort of process which was so related to the oil industry that it could keep it.

ART. II. New chemical developments by I. G.:

1. If I. G. shall desire to initiate outside of Germany—

That is, anywhere in the world outside Germany—

(as "Germany" is defined in art. XIV of said four-party agreement) a new chemical development which cannot be advantageously carried on except as a department of an oil or natural-gas business, it will offer control thereof (including the patent rights thereto) to the company on fair and reasonable terms.

That was a binding obligation upon I. G. to give control to the Standard Oil Co. in cases of the kind mentioned in that paragraph.

Examples: (a) The production of solvents, whether hydrocarbon or nonhydrocarbon, from olefines produced in refining oils.

(b) The production of an antiknock compound to the extent that the name shall be sold to or through oil companies.

2. If I. G. shall desire to initiate outside of Germany (as "Germany" is defined in art. XIV of said four-party agreement), a new chemical development not covered by subparagraph 1 of this article, but related to the then business of the company, as, for example, by use of natural gas or petroleum products, I. G. will offer to the company a substantial but not controlling participation.

Examples: (a) The production of fixed nitrogen from natural gas.

(b) The production of acetylene from natural or refinery gas.

Article III. Duration of this agreement.

This agreement shall be binding upon and inure to the benefit of the subsidiaries of the respective parties hereto as provided in article XIII of said four-party agreement, to the same extent as if said article were incorporated in this agreement, it being understood that no subsidiary corporation or the character referred to in paragraph B of said article 13 shall have the privilege of ratifying either the four-party agreement or this agreement without also ratifying the other.

In witness whereof the parties hereto have set their hands and seals on the day and year first above mentioned.

I. G. FARBEINDUSTRIE

AKTIENGESellschaft.

By (signed) SCHMITZ v. KNIERIEM.

That, Mr. President, is the same Mr. Hermann Schmitz who was one of the backers of the Hitler movement, and who was one of the group which conspired in Germany for the destruction of the German Republic.

The agreement is signed on behalf of Standard Oil Co. of New Jersey by W. C. Teagle.

The parties to this cartel charter were very careful to make certain that it should be maintained in principle, no matter what governments should do. As a consequence, a so-called coordination agreement was embodied in a letter signed by Mr. Teagle, who was then president of Standard. From this letter I quote the following significant paragraph:

In the event the performance of these agreements or of any material provisions thereof by either party should be hereafter restrained or prevented by operation of any existing or future law, or the beneficial interest of either party be alienated to a substantial degree by operation of law or governmental authority, the parties should enter into new negotiations in the spirit of the present agreements and endeavor to adapt their relations to the changed conditions which have so arisen.

It will be observed that this was an undertaking to the effect that if any material provision of the private economic treaty between Farben and Standard should thereafter be "restrained or prevented" by law or governmental authority, the parties nevertheless should enter into new negotiations "in the spirit of the present agreements."

Mr. President, without taking all the time that would be necessary to do so, it is important only that I should mention that the agreement entered into in 1929 was reasserted in 1939. It was reasserted by what was known as the Hague compact, the purpose of which was to make certain that if anything transpired which should upset this agreement, it could thereafter be renegotiated and reestablished.

The 1939 agreement made at The Hague contained these paragraphs, outlining the obligation of the Standard Oil Co.:

* * * if it shall appear from * * * reports that the division of territory of exclusive ownership between the parties as herein effected have not been equitable in its financial results as judged by the agreement of September 30, 1930 (which was based on the 1929 agreement), then the parties shall correct the inequity in such manner as may seem most fair and advantageous at the time.

Pursuant to the foregoing, I. G., the Standard Development Co., and Jasco shall make or cause to be made any formal assignments or execute any further instruments necessary to put into effect the present readjustment and any required future readjustment of the rights and interests of the parties to the agreement of September 30, 1930.

That agreement was entered into in 1939, in contemplation of the war. Its purpose was, so far as possible, to retain the cartel arrangement so that when the war was over the division of territory and the division of profits might be reasserted. This was the purpose which actuated the partners as late as February 20, 1941, when, according to the statement presented to the Truman committee by Mr. Thurman Arnold, a confidential letter was written to Mr. Howard, vice president of Standard Oil Co. by one of his staff. The letter reads as follows:

DEAR FRANK: As intimated to you briefly the other day, Dr. Ringer came to Paris to see me before I left the end of January—

Dr. Ringer, of course, was a representative of I. G.—

and asked me to give you the following message in regard to cable which he had received, I believe, from your good self:

"Jasco cable will be difficult but one underlying point is that Jasco contract has not been wiped out as agreed; whatever done the final financial outcome original intention of old Jasco agreement should govern."

Thereby indicating that as late as February 1941 it was still the purpose of the partners to this world cartel agreement to maintain the arrangement which they had made.

AGREEMENT NOW TERMINATED

Mr. President, it is only proper to say that when Mr. Farish, the president of Standard, and Mr. Howard, vice president, were on the stand before the Truman committee, the quotations which I have now cited to the Senate were called to their attention and they were asked whether, in their opinion, the consent decree was a Government act which could be set aside by them for their private purposes after the war. Mr. Howard, with the approval of Mr. Farish, agreed, in response to the question which was directed to them, that the consent decree has put an end to that cartel agreement.

Mr. HILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HILL. Does the Senator understand the consent decree virtually to mean an admission on the part of the Standard Oil Co. of the charges alleged in the bill of complaint? It practically amounts to that, does it not?

Mr. O'MAHONEY. There can be no other conclusion.

Mr. HILL. There can be no other conclusion except that it is an admission.

Mr. O'MAHONEY. That is true.

Mr. HILL. What happened in this case was that the Standard Oil Co. practically made what we would call in a criminal case an admission of guilt, threw itself on the mercy of the court, and the court proceeded to hand down a finding. Is not that what it amounted to?

Mr. O'MAHONEY. The Senator is quite right; but, Mr. President, it would

be unjust and unfair to assume that the Standard Oil Co. of New Jersey is the only organization which has been engaged in international agreements of this kind. It was brought out during the Truman committee hearing that Procter & Gamble have an international agreement with I. G. Farben with respect to synthetic fats. It has been brought out and referred to upon this floor that General Electric had an agreement with Krupp, the munitions manufacturers of Germany, with respect to certain products. The hearings of the Temporary National Economic Committee developed much testimony on world cartels. The hearing is part 25 of the T. N. E. C. hearings.

Mr. President, I desire to make it as clear as possible that, in my judgment, this is a more or less natural development of the expansion of trade; and I cite the instances not for the purpose of casting any reflection upon the patriotism of the men who negotiated this agreement but for the purpose of calling attention to the essential need of hereafter establishing a formula which will prevent the creation of international cartels, which stifle economic opportunity.

NATIONAL STANDARDS NECESSARY

Mr. President, there never has been a leader of political or economic thought in America who has not agreed that the public, in self-protection, should establish some controls and some direction over the activities of organizations of this kind. It is not only in the world-cartel field but in domestic fields that the agreements and combinations of private groups without any public supervision in the way of standards operate to the disadvantage of the public. Labor organizations and farm organizations, as well as industrial organizations, come into existence, follow policies and adopt agreements which intimately affect the lives of millions of persons who have no way under the sun of controlling or shaping or directing those activities. Over and over again, Mr. President, I have called attention to the fact that since the creation of this Government of ours, and the admission by the ratification of the Constitution of the Original States, no new State has ever entered the Union until its charter was approved on behalf of all the people by the Congress of the United States. Go into each State and you will find that no city is set up and the people of that city permitted to govern themselves unless in accordance with the standards laid down by the State legislature in the municipal corporation law of each State.

As long ago as 1911 Senator John Sharp Williams, representing the great State of Mississippi, introduced upon this floor a bill to bring corporations under some sort of Federal supervision by way of licensing. It was not his purpose to regiment the corporations. His purpose was only to provide that their organization should be in accordance with the standards and with the policy laid down in the interests of all the people.

THE WICKERSHAM BILL

During the administration of William Howard Taft there was introduced in this body by a predecessor of mine from the

State of Wyoming, the Honorable Clarence D. Clark, who at that time was chairman of the Committee on the Judiciary, a measure setting up standards for national corporations. The late Senator Borah and I on numerous occasions presented to this body bills intended to provide this sort of public direction, again I say not in the sense of regimentation but in the sense that the organizations, the groups created by individual initiative to affect the economic welfare of all the people should receive their authority from the only body which can speak for all the people, namely, the Congress of the United States.

Mr. HILL. Mr. President, if the Senator will yield at that point—

Mr. O'MAHONEY. I yield to the Senator from Alabama.

Mr. HILL. I desire to say that the Senator has, in my opinion, rendered a very distinguished service in this matter. As chairman of the Temporary National Economic Committee, and since in committees and on this floor, he has brought to the attention of the Senate, the Congress, and the public many facts which constitute a very real contribution to this subject. I know how the Senator has labored in this matter; and I, for one, want to thank him and to wish more power to him in his efforts.

Mr. O'MAHONEY. Mr. President, I thank the Senator. He is very kind in his reference to the humble efforts I have been making. I can speak frankly about this matter because the idea is not mine. It did not spring from my mind. It is a suggestion as old as the system under which we live.

No corporation ever came into existence without the authority of the people. We have not had a national corporation law solely because the Congress of the United States has desired to retain that power for the States. The progress of invention has been such, such great advance has been made in technological matters, that it is no longer possible for the States to protect their own people with respect to matters of this kind. This became apparent more than 50 years ago when the first Interstate Commerce Act was passed. It was passed because the national railroads had become so great and powerful that the separate States could not regulate them in the public interest; and so we began to build up in Washington the bureaucracy, and the Interstate Commerce Commission was created. There has scarcely been a 5-year period since, whether under the Democrats or under the Republicans, in which we have not seen the Federal Government expand; and it has been expanding in the direction of discretionary control because we have not been willing to set up by law standards for corporate control.

NATIONAL CHARTERS FOR NATIONAL CORPORATIONS

So, Mr. President, I am now going to introduce another form of the bill which has been before the Senate for more than 30 years, in one form or another, sponsored by men of great ability and great learning. The first bill, as I say, was drafted by Senator John Sharp Wil-

liams. The second bill of which I have knowledge was drafted by George Wick-ersham, Attorney General in the administration of William Howard Taft. Another bill was drafted by the late Senator Borah. With some assistance, I myself drafted one. A little later Senator Borah and I collaborated and introduced a bill; and now, Mr. President, I introduce a new Federal incorporation bill, and ask that it may be referred to the Committee on the Judiciary.

The first section of the bill is the title section.

The second section deals with definitions.

The third section requires that every corporation engaged in commerce, every trade association, and every labor organization engaged in commerce, or which represents or is composed of any person the cessation of whose work would affect commerce, shall obtain from the Commission a certificate of statutory compliance. The purpose is not to do away with State charters, but merely to set up standards which, in the national field, shall be followed by these organizations.

Section 4 provides for the issuance of a certificate of compliance to any corporation the articles of incorporation or association of which in addition to conforming to the requirements of the State of incorporation, shall conform to the following requirements:

A. Prohibit that corporation from having as a director any person who is (1) a director of, employed by, or has any financial interest in, any competing corporation; or (2) a director of, employed by, or has any financial interest in any corporation which has business with such corporation.

B. Provides that each director of such corporation shall have an actual and bona fide financial interest in such corporation.

I shall not attempt to read each of these sections, Mr. President. I ask unanimous consent that the bill may be set forth in full in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. O'MAHONEY. I wish, however, to call attention to two of the provisions dealing with the subject of cartels. The first of these, which is subparagraph (E) of section 4, which reads:

E. Provides that a copy of any general plan or program with any foreign corporation or foreign national, directly or indirectly, and with any corporation or person controlled by any foreign corporation or national, to effect the exchange or transfer of property, franchises, or other rights, including patents or licenses, whether through purchase, assignment, lease, or sale or otherwise, shall be filed with the Department of Justice of the United States, and shall be completely disclosed to each stockholder of record prior to the time that such general plan or program shall become legally effective.

F. Provides that a copy of every contract, agreement, or arrangement and any purchase, assignment, lease, or sale of property, franchises or other rights, including patents and licenses, with, to, or from any foreign corporation or foreign national, directly or indirectly, or with, to, or from any corporation or persons controlled by a foreign corporation or a foreign national, shall be filed with

the Department of Justice of the United States at least 30 days after such contract, agreement, arrangement, purchase, assignment, lease, or sale has been entered into or made.

Mr. President, I think it is obvious that the effect of those provisions would merely mean public disclosure of facts of the most intimate importance to all the people of the United States.

Section 5 deals with the statutory compliance by trade associations.

Section 6 deals with a statutory compliance by labor organizations. This section provides that the charter of such labor organizations dealing in interstate commerce shall have the following requirements:

(a) Election of officers shall be held at least once each year;

(b) Ballots shall permit voters to vote for any person nominated as a candidate or for any other person. Any member of the organization shall be permitted to observe the collection and counting of ballots.

(c) There shall be a detailed accounting by independent accountants of the funds, assets and liabilities, expenditures and receipts of the organization, not less than once every 2 years. A report of such accounting shall be made public, and a copy thereof filed with the Commission.

(d) No initiation fee for any member shall exceed \$10.

Section 7 provides penalties for the act as a whole.

Section 8 deals with the jurisdiction of the courts.

Sections 9 and 10 are formal provisions.

THE PUBLIC INTEREST PARAMOUNT

Mr. President, I wish to say that a bill of this kind is not hostile to any such organization, whether it be an organization of capital or of labor. A bill of this kind is essential in the public interest, to establish public standards which shall guide all these organizations.

The people of the United States are not very much concerned with what transpires in the legislature of a particular State because such matters ordinarily affect only the people of the State. The laws passed by the State of Massachusetts or the State of Indiana or the State of Kentucky or the State of Vermont seldom have any national significance because they are essentially local; but when a great corporation, such as the Standard Oil Co. of New Jersey, enters into an international cartel agreement it enters into an agreement which affects the intimate existence of every citizen of this country, and of many other countries, too. Likewise, when a great labor organization such as the United Mine Workers of America, the C. I. O., or the A. F. of L., adopts policies and programs it frequently affects the welfare of the whole people.

As I say, it is no attack upon any of these organizations to say that the standards ought to be laid down by the representatives of all the people of the United States; and the sooner, Mr. President, we recognize the fact that such standards should be formulated and that the public has an interest in them, the sooner we shall escape from the evils of pressure groups and group government.

The war which is now going on is a war which has resulted from pressure groups. What happened in Germany, what happened in Russia, what happened in Italy was that the class conflict became so acute that in each instance a particular class took charge of the Government, to the detriment of every member of every other class.

If we are to preserve democracy, if we are to preserve the essentials of individual liberty, if we are to preserve the Government of the United States as a government of all the people, then there is only one way to do it, and that is to take action of this kind, which will prevent the emergence of a particular class with sufficient power, either by way of money or by way of numbers, to take control of the government of all of us.

Mr. President, I ask that the bill I have introduced be referred to the Committee on the Judiciary. I think I have already obtained unanimous consent that it may be printed in full in the RECORD at this point.

There being no objection, the bill (S. 2438) providing for the issuance of certificates of statutory compliance with certain national standards to certain corporations, trade associations, and labor organizations engaged in or affecting commerce, was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

[Exhibit 1]

Be it enacted, etc.,

SECTION 1. This act may be cited as the Federal Charter Compliance Act of 1941.

SEC. 2. Definitions: As used in this act (a) "person" means any individual, partnership, association, corporation, business trust, legal representative, or group of persons.

(b) "Commerce" means commerce, trade, traffic, transportation, or communication with foreign nations or among the several States or from any State to any place outside thereof or in the District of Columbia.

(c) "Affecting commerce" means in commerce or burdening or obstructing commerce or the free flow of commerce.

(d) "State" means any State of the United States, or the District of Columbia, or any territory or possession of the United States.

(e) "Corporation" shall include any body corporate, business trust, joint stock company, limited partnership, or syndicate, and shall include related corporations.

(f) A corporation shall be deemed to be engaged in commerce if the corporation itself or any related corporation is engaged in commerce.

(g) "Trade association" shall mean any association, incorporated or unincorporated, any of the members of which engage in commerce, which gathers information from its members concerning trade practices or concerning the individual business of its members or which advises its members as to trade practices, or the future conduct of business.

(h) A related corporation is a corporation which is a subsidiary or affiliate of, or which directly or indirectly controls, or is controlled by, or is under direct or indirect common control with, another corporation. Two corporations shall be deemed to be related if — percent of the stock of either such corporation is owned by the other or by any related corporation.

(i) The term "labor organization" means any organization, of any kind, or any agency or employee representation committee or plan, including separately each central or national organization and each local or

branch or lodge whether or not affiliated with such an organization, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rate of pay, hours of employment, or conditions of work.

(j) The charter of a corporation, trade association, or labor organization shall mean the charter, articles of incorporation, certificate of incorporation, constitution, agreement, or other document or documents setting forth the basic structure of the corporation or organization and the fundamental rules under which it operates.

(k) "Commission" shall mean the — Commission

SEC. 3. Certificate of Statutory Compliance:

(a) On and after 1 year from the date of approval of this act, every corporation engaged in commerce, every trade association, and every labor organization engaged in commerce, or which represents or is composed of any persons the cessation of whose work would affect commerce shall obtain from the Commission a certificate a statutory compliance.

(b) An applicant for a certificate of statutory compliance shall file with the Commission a certified copy of its charter. If the charter conforms to the requirements prescribed in sections 4, 5, or 6 of this act, the Commission shall issue a certificate of statutory compliance.

(c) A certificate of statutory compliance shall be given if the charter filed with the Commission complies with the requirements of this statute. Any applicant to whom a certificate of statutory compliance is denied may, within 60 days after such denial, file a petition to compel the Commission to issue it a certificate of statutory compliance in any district court of the United States in which the applicant has an office, does business, or in which any of the members of a labor organization are employed, or in the District Court of the United States for the District of Columbia, and if the district court determine that the applicant's charter complies with the provisions of this act, it shall order the Commission to issue a certificate of statutory compliance. Proceedings filed pursuant to this paragraph shall be summary in form. The charter filed by the applicant shall in each instance be attached to the petition. Such proceedings shall be set for hearing at the earliest possible time. Appeals from the decision of the District Court may be taken as in ordinary civil actions.

SEC. 4. The Commission shall issue a certificate of compliance to any corporation, the articles of incorporation or association of which, in addition to conforming to the requirements of the State of incorporation, shall conform to the following requirements:

A. Prohibits that corporation from having as a director any person who is (1) director of, employed by, or has any financial interest in any competing corporation; or (2) a director of, employed by, or has any financial interest in any corporation which has business with such corporation;

B. Provides that each director of such corporation shall have an actual and bona fide financial interest in such corporation;

C. Provides that such corporation shall reasonably compensate its directors and provides a procedure by means of which the directors shall be at frequent intervals fully informed as to the operations of the corporation; and provide for the meeting of such directors not less frequently than once each month. There shall be kept full and complete transcripts of all meetings of the board of directors or any committee thereof;

D. Provides that complete disclosure in a written report mailed to each stockholder of record shall be made of all transactions between any director and the corporation during the year preceding, and any dealings by

the directors in the stock or other securities of such corporation;

E. Provides that a copy of any general plan or program with any foreign corporation or foreign national, directly or indirectly, and with any corporation or person controlled by any foreign corporation or national, to effect the exchange or transfer of property, franchises, or other rights, including patents or licenses, whether through purchase, assignment, lease, or sale or otherwise, shall be filed with the Department of Justice of the United States and shall be completely disclosed to each stockholder of record prior to the time that such general plan or program shall be come legally effective.

F. Provides that a copy of every contract, agreement, or arrangement, and any purchase, assignment, lease, or sale of property, franchises, or other rights, including patents and licenses, with, to, or from any foreign corporation or foreign national, directly or indirectly, or with, to, or from any corporation or persons controlled by a foreign corporation or foreign national, shall be filed with the Department of Justice of the United States within 30 days after such contract, agreement, arrangement, purchase, assignment, lease, or sale has been entered into or made.

G. Provides that the directors of such corporations shall be deemed to be trustees for the stockholders and required to exercise the degree of care employed by a trustee in the administration of a business with which he is familiar.

H. Provides that any directors of such corporation shall be individually and civilly liable to the corporation for any damage caused to the corporate estate through the violation by the corporation of any Federal law, where any act constituting such violation was authorized, ordered, or done by any such director.

I. Prohibits the reimbursement by the corporation to any director or officer of any expense sustained by him or incurred in his behalf as a result of his violation of any Federal law.

J. Provides that any director who fails to attend meetings of the board of directors over a 6-month period forfeits his directorship.

K. Provides that each share of stock shall give the holder thereof the right to cast one vote in all matters which are determined by vote of the stockholders.

L. Provides that any proposal which is approved by the board of directors and which alters the existing rights of any stockholder or security holder shall be fully disclosed to the stockholders within a reasonable time before their consent to such proposal is sought.

M. Provides for full disclosure to the stockholders of any voluntary payments made by the corporation.

N. Provides that any amendment of the charter which alters the existing rights of any stockholders or security holders shall be submitted to, and shall not become effective until approved by, such class of stockholders or security holders for a vote by such class voting as a class.

O. Provides that such corporation shall not directly or indirectly in the future purchase shares of stock or other interests in any corporation or company principally engaged in a business other than the principal business of such corporation.

SEC. 5. The Commission shall issue a certificate of statutory compliance to any trade association the charter of which conforms to the following requirements:

The association shall file with the Commission a semiannual report (a) stating the services performed by such association and the type of data collected or disseminated by such association, (b) listing the publications of such association and designating the subject matter and date of all letters or other documents published by the association to

its membership, and the officers, directors, employees, and members of such association, and (c) including full minutes of all meetings of the officers, directors, or members of such association. Affidavits required by the responsible officers of the association shall accompany such report and shall state that there has been disclosure of all relevant acts and services of the association.

SEC. 6. The Commission shall issue a certificate of statutory compliance to any labor organization, the charter of which conforms to the following requirements:

(a) Election of officers shall be held at least once each year.

(b) Ballots shall permit voters to vote for any person nominated as a candidate or for any other person. Any member of the organization shall be permitted to observe the collection and counting of ballots.

(c) There shall be a detailed accounting by independent accountants of the funds, assets and liabilities, expenditures and receipts, of the organization, not less than once every 2 years. A report of such accounting shall be made public, and a copy thereof filed with the Commission.

(d) No initiation fee for any members shall exceed \$10.

SEC. 7. Penalties: (a) Any corporation or trade association engaging in commerce without having received from the Commission a certificate of statutory compliance shall be liable for civil penalties in the following amounts:

(1) Twenty-five dollars for each of the first 30 days upon which the corporation or trade association so engages in commerce;

(2) An amount equal to 1 percent of the book value of the capital stock of the corporation or of the assets of the trade association for each month after the first 30 days during any part of which the corporation so engages in commerce.

(b) Any labor organization subject to this act which has not received a certificate of statutory compliance will be disqualified to act as collective-bargaining agent under the National Labor Relations Act and, in addition, will be liable for civil penalties in the following amounts:

(1) Ten dollars for each of the first 30 days during which such organization continues to operate without such a certificate.

(2) An amount equal to \$1 per member for each month after the first 30 days during any part of which such organization continues to operate without such a certificate.

(c) Such penalties shall be recoverable in a civil action brought in the name of the United States in a United States district court in any district in which the corporation, trade association, or labor organization has an office or engages in business. Suits for penalties on behalf of the United States shall be prosecuted by the United States district attorneys or by the Attorney General. The corporation, trade association, or organization shall have the right to recover penalties it has paid or owes the United States from any officer, director or other person responsible for its violation of this act. Such officers, directors, or other persons shall also be liable for such penalties jointly with the corporation, trade association or organization, and the United States may join as defendants such officers, directors, or other persons in any action brought against the corporation, trade association, or organization.

(d) The United States, through the United States district attorneys or the Attorney General, may bring suit to enjoin or restrain any violations of this act and to restore the condition of any corporation, trade association, or organization as nearly as possible to that which would have existed if this act had not been violated. The United States may also, acting through the Attorney General, bring action to revoke the certificate of statutory compliance of any corporation, trade association, or labor organization which has will-

fully, knowingly, or repeatedly violated the provisions of sections 4, 5, or 6 of this act, or the charter provisions required by this act, or which has amended its charter so that a certificate of statutory compliance would not now be granted. Any person who discriminates against or willfully injures any other person because he has brought or might bring an action authorized under this act shall be subject to a fine of not more than \$10,000 or to imprisonment for not more than 1 year, or both such fine and imprisonment.

Sec. 8. Jurisdiction of courts: The district courts of the United States shall have jurisdiction to entertain all actions and proceedings authorized under this act.

Sec. 9. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act and the application of such provision to other persons and circumstances, shall not be affected thereby.

Sec. 10. The right to alter, amend, or repeal this act, or any part thereof, is hereby expressly reserved.

Mr. PEPPER. Mr. President, when a few moments ago I gave notice of my intention to move hereafter to suspend paragraph 4 of rule XVI of the Standing Rules of the Senate for the purpose of proposing a certain amendment to H. R. 6868, which is now before the Senate, I incorporated in that notice what might well be considered two amendments. I should like, at this time, to give notice in writing, in accordance with the provisions of rule XL of the Standing Rules of the Senate, of my intention to move hereafter to suspend paragraph 4 of rule XVI of the Standing Rules of the Senate for the purpose of proposing certain amendments attached to the notice in connection with House bill 6868.

Mr. President, I want it distinctly understood that I have given altogether three notices in writing, as will appear in the RECORD. Two amendments are presented together, and then I have two additional notices which separately embody certain amendments.

The PRESIDING OFFICER. The notices presented by the Senator from Florida will be received and printed in the RECORD.

Mr. PEPPER submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing of my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, viz: At the proper place in the bill insert the following additional section:

"It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000."

Mr. PEPPER also submitted an amendment intended to be proposed by him to House bill 6868, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PEPPER also submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing of my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, viz: At the proper place in the bill insert the following additional section:

"Sec. —. The President shall proclaim a day and, if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property and interest on money, and the standard maximum level of compensation for all services.

"The price or compensation existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclamation by the President, become the standard maximum price for the acquisition or use of all goods, articles, or commodities, including rental of property and rates of interest and the standard maximum level of compensation for services to which such price or compensation, respectively, applied at such time: *Provided, however,* That the Office of Price Administration, with the concurrence of the Chairman, or his representative of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deem such action necessary to the effective prosecution of the war and in the public interest, or to avoid any undue hardship, alter any price or rate of compensation in any case or class of cases, and such alteration may be made as often as may be found necessary to the effective prosecution of the war or in the public interest or to avoid undue hardship.

"If any such maximum price or maximum compensation is altered, as herein provided, by the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, then the price or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property or interest on money, capital, or credit, or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, when no price level for the acquisition or use of any goods, articles, or commodities, including rental of property or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition or use of any such goods, articles, or commodities, including rental of property or interest on money or credit, and the maximum compensation for any such services.

"Any person charging or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only."

Mr. PEPPER also submitted an amendment intended to be proposed by him to

House bill 6868, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

CONSENT DECREE BETWEEN THE UNITED STATES AND STANDARD OIL CO. OF NEW JERSEY

Mr. O'MAHONEY. Mr. President, I have in my hand a copy of the consent decree which was entered into between the United States through the Department of Justice and the Standard Oil Co. of New Jersey. I think this decree is a matter of such vital public importance that it should be made public, and I, therefore, ask unanimous consent that it may be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Marcel E. Malle, of Idaho, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc, and, without objection, the President will be notified forthwith.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 7, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate April 6 (legislative day of March 30), 1942:

COAST AND GEODETIC SURVEY

William Rude Jackson to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey.

APPOINTMENT IN THE NAVY

Capt. Alva D. Bernhard to be a rear admiral in the Navy for temporary service, to rank from the 23d day of November 1941.

CONFIRMATIONS

Executive nominations confirmed by the Senate, April 6 (legislative day of March 30), 1942:

POSTMASTERS

ILLINOIS

Melvin Manecke, Argenta.
Gerd Wilms, Crescent City.
Alice D. Condit, Elmhurst.
Warthen K. Kimball, Gurnee.
Keith K. Angle, Hillview.
Urban A. Tempel, Ivesdale.
Henry Dwyer, Ladd.
Virginia D. Wall, Nebo.
Charles T. Gilbert, New Canton.
Albert W. Butler, Sublette.
Mollie E. Patterson, Waltonville.
Martha H. Prevost, West Union.

NEW YORK

Eva Purcell, Barryville.
William Burns Kirk, De Witt.
Agnes H. Brink, Endwell.
Ralph N. Schaack, Gowanda.
Raymond H. LaClair, Funtington.
Grace S. G. Davies, Lake Kushaqua.
Harold H. Sly, New Hampton.
Mary L. Doyle, Tannersville.
Catherine J. McMahon, Wyandanch.

NORTH CAROLINA

Colus W. Williams, Fallston.
August D. Wessell, Hallsboro.
James R. Crowder, Peachland.

PUERTO RICO

Jose G. de Iturrondo, Carolina.
Francisca Rodriguez, Juana Diaz.
Monserrate Figueroa, Lajas.

SOUTH CAROLINA

Fore J. Waston, Kingstree.
Gordon W. Morris, Society Hill.
Mollie S. West, Tucapau.
Lottie M. Vernon, Wellford.
Palmer A. Matthews, Winnsboro.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 6, 1942

The House was called to order at 12 o'clock noon by the Speaker pro tempore, Mr. Cox.

The Right Reverend James M. Maxon, D. D., LL. D., bishop of Tennessee, Protestant Episcopal Church, offered the following prayer:

O God, Father of all peoples on earth, our refuge and our strength, guide and protect, we pray Thee, our Nation in this fiery trial of war. Grant us true repentance, and take away our offenses, that, with clean hands and pure hearts, we may go forward, united in purpose, to serve the cause of justice and brotherhood. Save us from hatred, cruelty, and malice. Endure our leaders, and espe-

cially the Speaker and Members of this House, with courage and wisdom—strengthen and protect our defenders, wherever they may be, by land, by sea, and in the air, and suffer no dishonor to stain our arms. Safeguard and multiply the ministers of mercy, succor the wounded, relieve the dying, and comfort the bereaved. Bless those who labor in field and factory, in office and home, for our country's welfare. Make a speedy end to tyrannies on earth, and deliver the desolate and oppressed of all nations. Hasten the advent of a righteous peace, and establish Thy kingdom of righteousness, through our Lord and Saviour, Jesus Christ. Amen.

The Journal of the proceedings of Thursday, April 2, 1942, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6554. An act to amend war-risk insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1603. An act to provide for the extension of banking facilities at military reservations and at navy yards and stations, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 139) entitled "An act to permit appeals by the United States to the circuit courts of appeals in certain cases," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon; and appoints Mr. McFARLAND, Mr. KILGORE, and Mr. DANAHER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) entitled "An act to amend the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments:

1. Department of Agriculture.
2. Department of the Navy.
3. Post Office Department.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent that today at the conclusion of the business on the Speaker's table and any previous special order I may address the House for 5 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the special order of the gentleman from Washington [Mr. SMITH].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SALE OF PETROLEUM PRODUCTS TO JAPAN PRIOR TO PEARL HARBOR

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, the old proverb "People who live in glass houses should not throw stones" is still a good one. I was interested to notice the following statement in a newspaper I picked up recently:

Standard officials were said by Assistant Secretary of State A. A. Berle to have used the contracts as an excuse for continued shipments of gasoline and oil to the Condor Air Line against the wishes of the State Department.

I am not defending the Standard Oil Co. on any contracts they had with any foreign lines to furnish gasoline and oil to the Axis, but I do remind you that I tried to get the Secretary of State last year to stop the shipment of oil to Japan. At that time they were shipping an average of 72,000 barrels of oil a day, 15,000,000 gallons of gasoline, and 350 barrels of machine oil. Together with others, I took it up with the State Department in an effort to have them stop it, but they would not. Secretary Ickes was thereafter appointed Oil Coordinator. We told him that that gasoline and oil would be used against American boys if we ever got into war, and he agreed with us about it, but we could not get the State Department to stop it. As I read their criticism of others I think they themselves should bear their share of criticism.

[Here the gavel fell.]

DEFENSE HOUSING AND PUBLIC WORKS IN AND NEAR THE DISTRICT OF COLUMBIA

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill H. R. 6483, "An act to expedite the provision of housing in connection with national defense, and for other purposes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the statements made by the managers on the part of the House may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE IV

"SEC. 401. (a) The sum of \$30,000,000, to remain available until expended, is hereby authorized to be appropriated for the purpose of enabling the National Housing Agency to provide housing in or near the District of Columbia (including living quarters for single persons and for families) for employees of the United States whose duties are determined by the National Housing Administrator to be essential to national defense and to require them to reside in or near the District of Columbia.

"(b) In providing the housing for which an appropriation is authorized by subsection (a) of this section, the National Housing Administrator is authorized to exercise all of the powers specified in subsections (a) and (b) of section 1 of this Act, subject to the limitations upon exercise of such powers specified in such subsections.

"(c) The funds authorized to be appropriated by this section shall be available to pay administrative expenses in connection with providing the housing for which such funds are authorized to be appropriated.

"(d) The housing provided with funds authorized to be appropriated by this section may be sold and disposed of as expeditiously as possible: *Provided*, That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income.

"SEC. 402. (a) The sum of \$20,000,000, to remain available until expended, is hereby authorized to be appropriated for the purpose of enabling the Federal Works Administrator to provide public works and equipment therefor in and near the District of Columbia. Such public works may include, but shall not be limited to, schools, waterworks, sewers, public sanitary facilities, works for the treatment and purification of water, hospitals and other places for the care of the sick, recreational facilities, streets, roads, facilities for the disposal of sewage, garbage, and refuse, and other types of necessary public works.

"(b) In providing the public works and equipment therefor for which appropriations are authorized by subsection (a) of this section, the Federal Works Administrator is authorized to exercise all of the powers specified in subsections (a), (b), and (c) of section 202 of this Act. Such public works and equipment therefor shall be provided subject to the provisions of section 203 of this Act.

"(c) The funds authorized to be appropriated by this section shall be available to pay administrative expenses in connection with providing the public works and equipment therefor for which such funds are authorized to be appropriated.

"SEC. 403. (a) The Commissioners of the District of Columbia are authorized to accept for the District of Columbia, and the Federal Works Administrator is authorized to make to the District of Columbia, advancements for the provision of public works and equipment therefor, such advancements to be deposited with the Secretary of the Treasury to the credit of the District of Columbia.

"(b) Sums advanced to the Commissioners of the District of Columbia hereunder shall be available for the provision, without reference to section 3709 of the Revised Statutes, of any or all public works and equipment therefor described in section 402 hereof, and for administrative expenses in connection therewith, including employment of engineering and other professional services and other technical and administrative personnel without reference to the civil-service requirements or the Classification Act of 1923, as amended. The repayment of any sums so advanced and the payment of interest thereon shall be in the same manner and subject to the same conditions as are set forth in sections 3 and 4 of the act of December 20, 1941 (Public Law No. 362, 77th Cong.).

"(c) The Commissioners shall submit with their annual estimates to the Congress a report of their activities and expenditures under this section.

"SEC. 404. As used in this act the term 'Federal Works Administrator' or 'Administrator', or 'Federal Works Agency' shall, with respect to housing, be deemed to refer to the National Housing Administrator or the National Housing Agency, as the case may be. Such terms shall, with respect to public works and equipment therefor, be deemed to refer to the Federal Works Administrator or the Federal Works Agency, as the case may be."

And the Senate agree to the same.

FRITZ G. LANHAM,
C. JASPER BELL,
PEHR G. HOLMES,

Managers on the part of the House.

ALLEN J. ELLENDER,
CLAUDE PEPPER,
DENNIS CHAVEZ,
ROBERT M. LA FOLLETTE, JR.,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This was a clerical amendment made necessary by reason of a change proposed by the Senate in the new proposed title IV of the act of October 14, 1940, whereby authority to provide housing and public works is contained in two sections, rather than in one section as in the bill as it passed the House. In view of the fact that the substitute for title IV agreed to by the conference committee follows the form of the Senate bill, the House recedes on this amendment.

Amendment No. 2: The bill as it passed the House proposed to add to the act of October 14, 1940, as amended, a new title IV (1) authorizing the appropriation of \$50,000,000 to enable the Federal Works Admin-

istrator to provide housing, and public works and equipment therefor, in and near the District of Columbia; (2) authorizing the sale or disposition of the housing so provided, except to any agency organized for slum clearance or to provide subsidized housing for persons of low income; and (3) authorizing the Public Works Administrator to make advances to the Commissioners of the District of Columbia for the provision of any or all of the public works referred to above, and providing for repayment of such advances in accordance with sections 3 and 4 of the act of December 20, 1941.

The Senate, by amendment No. 2, struck out the proposed title IV and inserted a substitute therefor which is similar to the House provision except that it (1) authorized the appropriation of \$40,000,000 for housing in or near the District of Columbia; (2) authorized the appropriation of an additional \$5,000,000 to be used for housing on an area consisting of approximately nine blocks in the southwest portion of the city of Washington and to provide temporary housing for persons required to move from such area; (3) authorized the appropriation of \$25,000,000 for public works and equipment therefor in and near the District of Columbia; (4) provided that the cost-per-family dwelling unit of any such housing should not exceed an average cost per family dwelling unit of \$4,000; and (5) specified that the functions under title IV with respect to housing should be exercised by the National Housing Agency and the National Housing Administrator (to whom other functions relating to housing under the act of October 14, 1940, were transferred by Executive Order No. 9070, issued February 24, 1942), and included a new section 404 providing that the term "Administrator" wherever appearing in title III of the act of October 14, 1940, should with respect to housing constructed under the new title IV, be deemed to refer to the National Housing Administrator.

The substitute for the Senate amendment, agreed to in conference and recommended in the accompanying conference report, (1) authorizes the appropriation of \$30,000,000 for housing in and near the District of Columbia; (2) authorizes the appropriation of \$20,000,000 for public works and equipment therefor in and near the District of Columbia; (3) eliminates the Senate provision for an appropriation for housing on an area consisting of approximately nine blocks in the southwest portion of the city of Washington; and (4) eliminates the Senate provision permitting the average per unit cost of family dwellings to be not in excess of \$4,000, thus leaving applicable the limitations as to average cost now provided by law. It also provides in section 404, that for purposes of all the provisions of the act of October 14, 1940, the term "Federal Works Administrator" or "Administrator" or "Federal Works Agency" when used with reference to housing, shall be deemed to refer to the National Housing Administrator or the National Housing Agency as the case may be, and when used with reference to public works and equipment therefor shall be deemed to refer to the Federal Works Administrator or the Federal Works Agency, as the case may be.

FRITZ G. LANHAM,
C. JASPER BELL,
PEHR G. HOLMES,

Managers on the part of the House.

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the conference report to the House?

Mr. LANHAM. Yes, I shall be glad to; I wish to make a brief explanation of the conference report. When the House passed this measure which has to do with

housing and public works, or community facilities, in the metropolitan area of the District of Columbia, it authorized an appropriation of \$50,000,000 for these two purposes, made necessary by the influx of defense workers into Washington.

After the bill was passed by the House, the President issued under the War Powers Act an Executive order placing defense housing under the control of the National Housing Agency, and placing the public works, or community facilities, in the congested defense areas under the control and supervision of the Federal Works Agency.

The bill was amended in the Senate to conform with the provisions of that Executive order and the conference report is in accordance with those provisions.

Mr. RICH. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. With reference to the Senate amendment, I understood the Senate amended the House bill by increasing it \$20,000,000.

Mr. LANHAM. Yes. I am coming to that.

Mr. RICH. The House disagreed with the Senate?

Mr. LANHAM. That is correct. I am coming to that explanation.

Mr. RICH. I want to ask the gentleman a question after he has finished.

Mr. LANHAM. When the bill was considered in the Senate, the authorization was increased by \$20,000,000, \$5,000,000 of which were earmarked for nine blocks in a slum area in Southwest Washington under what is generally known as the Goodwill plan. There is also embodied in this conference report, which has to do with the new title IV dealing with this metropolitan area, a provision that the funds authorized under this measure are not to be used for slum clearance.

It might be well to state, first, the policy of this act in order that it may be generally understood. The policy is that Federal funds for defense housing shall not be expended except to take care of the excess which may be required by reason of the lack of available housing and in addition to such needed housing as private capital will construct. It is further the purpose of the measure that at the end of the emergency there will be recouped for the Treasury as much of the expenditures made for defense housing as possible, and there is also in the act a provision that houses may be sold, ever during the emergency, to those who wish to buy them as permanent residences.

Mr. MILLS of Louisiana. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Louisiana.

Mr. MILLS of Louisiana. The gentleman has undertaken an explanation, but I did not hear it. Is the Goodwill project included in this or not?

Mr. LANHAM. No. The Goodwill project is not included in this conference report. That was part of the \$20,000,000 added by the Senate.

The situation is that there is necessity for speed and expedition in the construc-

tion of this housing. The only way that it could be considered this week was by bringing in a conference report which is not controversial; so the Senate yielded to the insistence of the House conferees that we eliminate the \$20,000,000 which they had added to the bill as it passed the House.

Mr. RICH. Is it the object to build great large units of housing facilities or are you going to try to build small individual units?

Mr. LANHAM. The gentleman is anticipating what I was about to state, and I am going to make an explanation of that.

Mr. RICH. There is another question. When the gentleman is elaborating upon that question, will he tell us whether they are going to build individual units and what the expectation is of those who are building them because of this speed. Are you going to sell them at a certain fixed price regardless of what the cost was or are you going to try to do a good businesslike job of building units like a sound business administration would?

Mr. LANHAM. I shall be glad to make explanation of that.

Mr. RICH. Give us a little light on that, because we do not want any more Arthurdales here in Washington.

Mr. LANHAM. May I say with reference to sales of these houses that the act provides for their sale at their fair market value.

Mr. RICH. I will be interested in that. We do not want any more Arthurdales here in Washington.

Mr. RANDOLPH. Will the gentleman yield?

Mr. LANHAM. I shall be happy to yield to the distinguished gentleman from West Virginia, chairman of the District of Columbia Committee.

Mr. RANDOLPH. I appreciate the kind words toward the committee which I represent and myself, expressed by the gentleman from Texas, and I desire at this point to say that there has been no lack of interest in the House on the subject of defense housing in the District of Columbia, even though the amount agreed to now by the managers on the part of the Senate come to the figure of \$50,000,000, which is proposed in the bill. I think there has been an indication in some quarters that the House was not cognizant of this problem perhaps as acutely as was the Senate. There were disagreements, to be sure; but on the need for housing now, the House has joined the Senate in recognizing this problem. Have you not also taken into full consideration the necessity for the services that go along with the housing program? I speak particularly at this point of the need for greater hospitalization in the Washington area?

Mr. LANHAM. The gentleman has called attention to two features that I should like to mention.

In the first place, with reference to the speedy enactment of this bill, may I say that the estimate came from the Bureau of the Budget late one afternoon. The bill was introduced in the House the next day. Of course, it was not available in print until the following day, but on the first day when it was available in print, the Committee on Buildings and

Grounds, assisted by the Committee on the District of Columbia, began hearings and at their conclusion reported the bill. Just as soon as a rule could be obtained it was taken up by the House and was passed by the House, as I recall, on the 11th day of February. So there has certainly been no lack of diligence on the part of the House of Representatives.

Now, before coming to the second feature which the distinguished gentleman from West Virginia mentioned, may I say that we also eliminated from the Senate bill a provision which would have increased the average cost of dwelling units, and we have kept the average cost of the units as they already appear in the act.

In view of the fact that the President of the United States has made a recommendation in which the House Committee on Public Buildings and Grounds have been very much interested, to the effect that temporary dwellings, largely of a dormitory type, be constructed for the unmarried workers coming into the District of Columbia, it has been our thought that there are several advantages in such construction. In the first place, it is cheaper. In the second place, it gives an opportunity for genial association of workers. In the next place, it simplifies the traffic problem in that these workers will in many instances be closer to their work, within walking distance, and in other instances can be taken in large numbers in busses without many stops.

Further, this type of construction would eliminate many of the difficulties that would arise after the emergency with reference to the private real-estate business, with which there is no purpose of the Government to interfere, and there should not be.

By reason of the fact that this construction will be cheaper, and that it is the belief of the committee that it should be resorted to in every possible instance, we have made a division in this bill of the funds to be disposed of, that \$30,000,000 of the \$50,000,000 will be for housing and \$20,000,000 for public works, or so-called community facilities. The hearings indicate very clearly that there will be a need for these facilities, not only in the matter of hospitalization, to which the gentleman from West Virginia referred, but in the matter of sewerage, water connections, schools, and various things of that kind. It was for that reason that the division was made as between the housing and the community facilities.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say, first, that we have the greatest regard for the chairman of this committee and his associates. I do not think the committee could have a better chairman. I congratulate the committee on the fact that your are building temporary housing which is not to interfere with the real-estate operations of this town. I do not know of any other place in the United States where the development companies have gone out and spent their own money to try to increase the size of the community as they

have here, not only in the District but in Maryland and Virginia. They did that with their own capital, at no cost to the Government. That is what we want to do. I am glad you are taking that position.

Further, these houses are to be only temporary, and I suppose when the emergency is over, because they will be located on plots of ground on which the Federal Government would not want to have permanent buildings, you will have to remove them.

Mr. HOLMES rose.

Mr. RICH. I am only congratulating the gentleman now on what he is doing. I think he is doing a good job.

I want to know whether you will keep your fingers on this money, so that some bureaucrats or some departments will not get their hands on it and do a lot of things this committee does not want done.

Mr. LANHAM. I may say to the gentleman that, of course, we do not have charge of the administration, but I feel sure there is not a committee in the House of Representatives which is more diligent in following up appropriations and trying to see that the money is expended in accordance with the legislative intent than the Committee on Public Buildings and Grounds.

Mr. RICH. If you do that, then I am sure we will get dollar for dollar on this money invested, but if you do not do that, then I am afraid of what may happen.

Mr. LANHAM. May I call the attention of the gentleman, in view of what he has said, to a statement contained in our committee report when we first presented this bill to the House of Representatives:

The committee are very definitely of the opinion that private enterprise should supply as much of the permanent housing as is possible, and that the defense housing proposed in this measure should be restricted to the minimum necessary for the additional personnel to be provided for during the emergency in connection with the war activities. Temporary dormitories for unmarried workers will afford opportunity for association with fellow workers, minimize the problem of transportation, keep the amount of Federal expenditure within reasonable bounds, and relieve the situation with reference to normal real-estate activities when the emergency is over.

That is our policy and that is our purpose, as expressed in our report when we first presented this bill.

Mr. RICH. Who is going to have charge of the spending of this money?

Mr. LANHAM. The housing will be under the control of the National Housing Agency, recently organized in accordance with an Executive order, and the public works, or community facilities, will be under the control of the Federal Works Agency.

Mr. RICH. You are going to follow this up and see that the act is carried out as the committee intended it to be carried out?

Mr. LANHAM. We do our very best in that regard. We have done so and expect to continue to do so.

Mr. RICH. We charge you to do that, and if you do it we will be satisfied.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the distinguished gentleman from Massachusetts, the ranking minority member of the Committee on Public Buildings and Grounds.

Mr. HOLMES. Originally this legislation came in with a unanimous report of the Committee on Public Buildings and Grounds. We have tried in this legislation to build a practical solution of the housing problem here in the District of Columbia. As the chairman has said, I think that the differences between the Senate and House conferees have been amicably adjusted, and we come in here with a unanimous report because we need these houses at the present time in the District of Columbia.

As to the administration of this law, may I say that we, as members of this committee, not only have contacts with complaints that Members of the House get directly but we are besieged by groups from the various communities in connection with the problems they are having with these housing units. I can assure my colleague from Pennsylvania that we have had assurance from the heads of the National Housing Agency and the Federal Works Agency that they will cooperate with Congress and with the officials of the municipalities back home. There is no reason in the world a happy solution cannot be worked out if this law is administered right.

Mr. RICH. I am happy to hear that statement.

Will the gentleman from Texas yield further, so that I may ask a question of the gentleman from Massachusetts [Mr. HOLMES]?

Mr. LANHAM. Yes, indeed.

Mr. RICH. I understand that the rules and regulations laid down by the Department of Labor are such that if they are carried out these housing projects will cost millions of dollars more on account of increased labor costs.

Mr. HOLMES. I think the gentleman is incorrectly informed on that particular phase. We have placed in the bill a limit of \$3,750 for any unit in connection with this construction. It has been our experience that these units have been built for less than the price we have set in our legislation.

Mr. RICH. All I am thinking of is that \$5,750 is a lot of money.

Mr. HOLMES. It is \$3,750. The Senate increased it to \$4,000, but the Senate receded and concurred in the House provision of \$3,750.

Mr. RICH. Can anybody get a job on the construction of these housing units, or are you going to compel everyone to join a labor union and pay the labor union \$300 before they can get a job on these projects?

Mr. HOLMES. I can appreciate the sentiment and the feelings of my colleague from Pennsylvania, but we are not the executive or administrative branch of the Government.

Mr. RICH. That is what I wanted to get from the chairman.

Mr. HOLMES. The bill states on what basis and principle the legislation has been recommended and adopted by the House.

Mr. RICH. Let me ask the chairman whether we can stop this racketeering of the labor unions in demanding of everybody that gets a job on any construction that he pay anywhere from \$50 to \$1,100, as they did in the case of some of these cantonments in order to get a job as a carpenter. This is a crime to our civilization and would indicate that we have not any more red blood in our veins and we should say that we will not permit any more buildings to be constructed under conditions of that kind. It is a crime to permit it to continue, and I hope the committee will go into that phase of the situation as well.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. COFFEE of Nebraska. Mr. Speaker, right along that line, I would like to ask whether this construction will be done under the higher wage scale that prevails in the District, apparently, on all construction which the Federal Government pays for, or will it be on the wage scale which prevails for all private building construction?

Mr. LANHAM. We hope, of course, that the construction will be done as economically as possible. We do not, as a committee, have control of the wage-scale situation, but it is certainly to be hoped that the money that is authorized to be appropriated in this bill will do the job. The other matters are beyond our control, of course, as a committee, and are for the determination of the Congress on legislation relating to that particular subject.

Mr. COFFEE of Nebraska. It seems to me that if this dual wage scale continues to prevail in the District of Columbia and all of this construction is let at the higher wage scale, it will stop private building in the District, which helps to relieve this congestion.

Mr. LANHAM. There has been a great deal of discussion of that very matter, and the newspapers indicate that the Department of Labor now has it under consideration and has not yet rendered its final decision.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Arizona.

Mr. MURDOCK. None of this fund, I suppose, will be used for building cantonments or camps for interned enemy aliens? Out in my country this question has been raised.

Mr. LANHAM. No; that is not the purpose of this measure. This is for employees of the United States Government working here in defense activities.

Mr. MURDOCK. Did I understand the chairman to say that a part of the fund would be used for schoolhouses or their equipment, if necessary, or is it all for dwellings?

Mr. LANHAM. No; \$30,000,000 is for the housing, most of which we trust will be temporary, and \$20,000,000 for community facilities, which is a rather all-inclusive term from the standpoint of the things necessary for normal life in these congested areas.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from New York.

Mr. FITZPATRICK. Will the rent rates be uniform or will they be fixed according to the individual income of the employees?

Mr. LANHAM. The rent rates will be in accordance with the terms of other provisions of the act that insofar as possible they must be economic rents, and that will not be so difficult with respect to these temporary buildings. In exceptional cases, where it would interfere with defense activities, there is leeway in the matter of rents.

Mr. FITZPATRICK. In other words, they will be regulated according to the earnings of the individual?

Mr. LANHAM. No; not exactly that. They will, wherever it is possible, be an economic rent. If that rent should be burdensome in any particular case, then the provision of the act is such there can be some leeway and an allowance made.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. May I inquire if these contracts will be let on a competitive basis or on a cost-plus-a-fixed-fee basis?

Mr. LANHAM. The provision of the act is that they may be let either on a competitive basis of bids or on a cost-plus-a-fixed-fee, but not upon a cost-plus basis.

Mr. WICKERSHAM. The reason I inquire is that yesterday's papers carried an article where it was stated that the Labor Board had held they must pay the highest prevailing wage scale and stated the cost would be from 25 percent up in excess of what is the usual cost. I felt that if the private contractors could bid and operate in accordance with their regular methods we would save possibly 20 or 25 percent in the cost of construction.

Mr. LANHAM. Of course, that will be in charge of the administrative authorities and they have the leeway of competitive bids or cost plus a fixed fee.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. WILLIAM T. PHEIFFER. The gentleman has been giving some very interesting information with regard to rent rates. I am wondering if he will further develop that phase of the matter with regard to whether the income from these territories, and so forth will be sufficient in his judgment to make it a self-sustaining venture, so that the Congress will not be asked later on for any sort of deficiency appropriation.

Mr. LANHAM. It is not the intention that the Congress will be asked for any deficiency appropriation concerning any housing that is authorized in this measure. Now, whether additional housing will be needed, the future and the extent of the war activities will determine, but it is not contemplated there will be any deficiency appropriation asked with reference to the housing that is now being provided for.

Mr. WILLIAM T. PHEIFFER. So far as the chairman knows, then, the in-

come from rents from these properties will be sufficient to sustain them and take care of the necessary operating costs?

Mr. LANHAM. That is our belief.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. HOOK. It has come to my attention that there is a possibility, or at least that it is being considered, that there will be erected a large temporary building on the Mall for the purpose of housing some 40,000 or 50,000 Government employees, with approximately an 8-foot space for each occupant in this temporary building, which is to be of wood construction. I am wondering whether there is any thought that the money appropriated in this bill might be used for such a purpose.

Mr. LANHAM. The money authorized by this bill can be used for the construction of temporary housing and we hope that most of it will be used for that purpose. Just where it will be located is not for us to determine. It seems to me that it would perhaps be impossible to locate on the Mall housing for the great number of people to whom my friend has referred. However, with the Government land that is owned in many places in the District and in contiguous territory, I feel that if these structures are placed on Government land insofar as possible, they will be less expensive.

Mr. HOOK. I hope no such project will be even contemplated or consummated, because the erection of such a large building with only an 8-foot space to each occupant, 40,000 or 50,000 of them, certainly, if nothing else, would be a real firetrap and a hazard.

Mr. LANHAM. We have no information to that effect. We hope that this will be administered prudently in every respect.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SIGNING OF ENROLLED BILLS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House, the Speaker pro tempore may be authorized to sign enrolled bills H. R. 6483 and H. R. 6554.

The SPEAKER pro tempore. Is there objection?

There was no objection.

OBLIGATIONS UNDER RED CROSS CONVENTION, 1929 (H. DOC. NO. 693)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Com-

mittee on Foreign Affairs and ordered printed:

To the Congress of the United States of America:

I am transmitting for the consideration of the Congress the enclosed report from the Acting Secretary of State, with an accompanying draft bill, designed the more effectively to carry out our obligations under the Red Cross Convention of 1929.

I commend the report and the proposed legislation to the favorable consideration of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 3, 1942.

[Enclosures: 1. Report. 2. Draft bill.]

RETURN OF BILL (H. R. 6328) TO SENATE

The SPEAKER pro tempore laid before the House the following communication from the Senate, which was read:

Resolved, That the Secretary be directed to request return from the House of Representatives of the bill (H. R. 6328) entitled "An act for the relief of certain disbursing officers of the Army of the United States, and for the settlement of individual claims, approved by the War Department."

The SPEAKER pro tempore. Without objection, the request is granted.

There was no objection.

AMENDMENT TO MERCHANT MARINE ACT, 1936

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6554) to amend war-risk-insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort, and concur in the Senate amendments.

The SPEAKER pro tempore. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 5, after "amended", insert "effective as of April 1, 1942."

Page 2, line 21, after "reasons", insert "Provided, That there shall be reported on the last day of each calendar month to the chairman of the Committee on Commerce of the United States Senate, and the chairman of the Committee on Merchant Marine and Fisheries of the House, the insurance or reinsurance written under clause (2) of this subsection (a), during the preceding month, together with the rates and the reasons for such rates and such insurance and reinsurance."

Page 3, line 19, strike out "10" and insert "14."

Page 5, line 6, after "in", insert "arranging."

Page 5, line 6, strike out "transaction."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. MICHENER. Mr. Speaker, I reserve the right to object, and I shall not object. I appreciate the urgency of this legislation. However, I think that the RECORD should show why and just exactly what the amendments are.

Mr. BLAND. Mr. Speaker, the first amendment made by the Senate is the insertion of the words "effective as of April 1, 1942." The reason for that is that the syndicate that has been writing war-risk insurance and marine insurance

on the hulls, cargoes, crew, and other subjects of insurance in maritime matters gave notice that on March 31 of this year it would cease to write war-risk insurance on hulls, and the result is that it would be impossible to get war-risk insurance unless the Government were to write it on the hulls. I believe they still write insurance on cargoes and crew, so that in order to prevent a hiatus, or gap, and in order that the business which is so important should go forward, the Senate wrote the amendment "effective as of April 1, 1942." It is so important to get this through that I requested that it be sent over the first thing today, and I believe steps have been taken to have the enrolled copy ready for signature at once.

The next amendment is the one to be found on the second page:

Provided, That there shall be reported on the last day of each calendar month to the chairman of the Committee on Commerce of the United States Senate, and the chairman of the Committee on the Merchant Marine and Fisheries of the House, the insurance or reinsurance written under clause (2) of this subdivision (a), during the preceding month, together with the rates and the reasons for such rates and such insurance and reinsurance.

It developed before the committee that in some cases the Government would have to write at lower rates than these rates that would be compensatory. That may be true in the case of shipments to Alaska. It may be true also wherever they should find that this insurance at nominal or other rate bases would be of material benefit to the war effort or after consultation with the Office of Price Administration or other agencies, to the domestic economy of the United States, or after consultation with the Secretary of War or the Secretary of the Navy is necessary or advisable for military or naval reasons. Constituting, as that provision did, something of an exception, in that it was giving nominal or lower rates than customarily applied, the Senate was of the opinion, and I think the amendment is wise, that the reasons for the application of that rate and for insurance at that nominal or lower rate than would normally issue, should be set forth in a report each month to the House committee and to the Senate committee, with the reasons therefor, and that that report should be made, together with a statement of the rates and the reason for such rates and such insurance and reinsurance.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield. I have not finished the explanation as to all of the amendments, however.

Mr. PLOESER. But I want to ask the gentleman a question pertaining to this particular amendment. I think it is a very fine provision requiring reports to the committee of the House, but I wondered why the Senate did not include in the requirement a report of losses. This omission was probably just an oversight, but it is highly important. Rates without losses mean very little. On the other hand, it might be that your committee could interpret the words "reasons for

such rates" to include the necessity for reporting all losses. I am hopeful that, rather than attempting to change this by further amendment, your committee will interpret the provision in such fashion.

Mr. BLAND. I do hope there will be no effort to change it now. I think a report of losses would be available at any time—that is, to any Member of Congress or to any committee of Congress. Anybody could call on the Commission for a statement as to all the insurance written as of a certain date, on what written, and the losses thereon. I would guard very much against a statement of losses, and even as to insurance, because it is highly desirable to keep information away from the enemy. In some cases it is desirable not to specify even the name of the vessel. It is thought that specification of the name of the vessel might by some underground process reach the enemy and contribute to submarine losses.

Mr. PLOESER. I agree with the most distinguished gentleman from Virginia in his interpretation of what might necessarily be kept secret. In this regard I should trust the very keen and able judgment of the distinguished gentleman from Virginia. I would not want it to reflect any information that would be helpful to the enemy.

Mr. BLAND. I know the gentleman would not.

Mr. PLOESER. I am hopeful, however, that the committee will insist on a complete insurance picture. That must necessarily include losses. It is highly important that we get adequate rates for the losses we are to assume.

Mr. BLAND. If necessary to get that, it would be an item that could be covered under the investigational authority that has been granted to the committee and which the committee is exercising.

The next amendment is merely a change of date.

The last amendment is changing a word in the amendment that was offered in the committee by the gentleman from California [Mr. WELCH]. The gentleman from California is very much interested in this amendment, and before this was agreed to I asked that he be consulted. I saw him Saturday, and it is agreeable to him.

Instead of saying "no insurance broker shall be paid any fee or other consideration by the Commission by virtue of his participation in any insurance transaction," the word "transaction" was stricken out and the word "arranging" was inserted before the words "any insurance"; because it was the objective to prevent any fee being paid to some other fellow for working up the insurance. But it may be that it will be necessary to use the services of that broker where a loss had occurred, or something like that, and that would be prohibited by the word "transaction." So the change was made to prevent payment of "any fee or other consideration by the Commission by virtue of his participation in arranging any insurance wherein the Commission directly insures any of the risk thereof."

Those are all the amendments that have been made except in the correction of a date.

Mr. PLOESER. Mr. Speaker, further reserving the right to object, where in the Senate amendments do they provide for a change of the authorization under this bill, to allow our War Risk Insurance Corporation which is set up, or the Maritime Commission's corporation, to insure foreign cargoes and foreign hulls?

Mr. BLAND. There was no change. That was in the original bill. I may say for the information of the gentleman that that is identically what was done in the World War No. 1 insurance bill. We permitted the insurance of the ships of our Allies. Take, for instance, the South American governments that are doing business, they are not insured in their business, but in the domestic commerce of the United States, or where those ships would be needed for our purposes. Sometimes you have to take whatever ship you can get. It is essential that we provide insurance. I do not know that this will follow now, but as a result of the war-risk insurance, similar insurance in many respects in World War No. 1, there was returned at the end of the war to the Treasury \$17,000,000 over and above the losses.

Mr. PLOESER. I have no intention of objecting, but I make the point for a most important reason. I would dislike to see the tendency in the underwriting management of any war-risk insurance corporation set up by our Government to assume all the war losses of all of our Allies. It is not the United States' duty to assume all the losses of this war.

Mr. BLAND. With Great Britain there would be no danger, because Great Britain is herself protecting her own insurance companies.

Mr. PLOESER. I was not concerned about Great Britain. The British have long demonstrated their ability in matters of insurance, particularly marine insurance.

There are many countries that do not have marine insurance. We did not have it to any extent until after the first World War. It is one of the hardest things to build up where a government is not engaged in the maritime business. We have gradually built it up through the period from 1920 up to the present time.

Mr. Speaker, I withdraw my reservation of objection.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I quite agree with the gentleman from Missouri that this is a very important matter. When the subject was before the Rules Committee these same points were raised. Some very pertinent observations were made on the floor when this bill was before the House. Only the necessities of the hour warrant this type of legislation. I have that faith in the distinguished gentleman from Missouri to believe that he would not bring this bill here were not the necessity such as to require it. I mean the gentleman from Virginia.

Mr. BLAND. The gentleman happens to be from Virginia, but he has some

of the Missouri attributes in requiring that facts and necessities be shown.

Mr. MICHENER. We all appreciate that. I am sure we are all glad of the contributions of the gentleman from Missouri [Mr. PLOESER] because by education, training, and experience he is as well if not better qualified to discuss matters of insurance than anyone among us. Knowing the facts as he does, being familiar with the industry as he is, I think he is patriotic when he withdraws his objection.

Mr. BLAND. I can assure the gentleman that the insurance companies are in agreement about this.

The SPEAKER pro tempore. The question is on the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to include in the Record some remarks made by myself.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include an editorial from the Sioux Falls Daily Argus-Leader.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an editorial from the Christian Science Monitor on the finance amendments recently adopted by the House.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE 4-H CLUBS AND THE WAR

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, there is throughout our broad land this week definite action to mobilize the strength of the 4-H movement behind the great struggle. I want to take this opportunity to voice my approval of such action. It gives me a feeling of security, and it should give the feeling of security to every person in the United States. The youth of this country, dedicated as it is to the preservation of everything Americans hold dear, should certainly be included in this great movement. I feel that the 4-H Clubs and the 4-H organization should be especially praised at this time for the marvelous work which they are doing in the rural sections of the country, and I want to congratulate them here and now.

[Here the gavel fell.]

Mr. LELAND M. FORD. Mr. Speaker, I have two requests to submit: First, to revise and extend my remarks and to include an editorial from the West Los Angeles Independent, Words Won't Do.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE GOVERNMENT AND INDUSTRY DURING WARTIME

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a news item.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, under permission to revise and extend my remarks, I include herein a news item taken from the Washington Post of April 3, 1942, titled as follows: "United States in Cheese Business; Seizes Syracuse Plant." The article states that—

A Federal agency went into the cheese-making business today for the first time * * *.

After reading this item I took this matter up with the Director of the Budget and asked him to advise me upon what authority money had been made available for any such purpose, and also, the source of authority for N. J. Cladakis to take over the operation of this plant. I asked if money was appropriated specifically for this, and, if not, under what general authority it was authorized.

I was advised by the Budget Bureau that no Federal funds were available for any such procedure. This happened on Friday, and I was later advised, on Monday, that this article should not have been published, and that Cladakis was only trying to make a deal to take the output of this plant.

There have been several such items as this published lately, and in one instance, private industry was taken over. Is it possible that this Department sought to do this hoping no one would take exception to it, and that this was a sort of trial balloon to see if they could get away with it?

I think it time right now to tell those who think they can take this hour of emergency to establish in government the philosophy of Karl Marx, that they cannot do it. Let us put an end to this threat right now, and do it definitely and positively. We must win this war, but in winning this war, we want an all-out and complete victory. That means the defeat of our enemies from without, but certainly does not stop there. It must mean, also, a defeat of those now in high places in government, who wish, in this hour of crisis, to change our form of government and substitute certain European philosophies, consisting of socialism, nazi-ism, fascism, and communism, all of which spring from the teachings of Karl Marx.

[From the Washington Post of April 3, 1942]

UNITED STATES IN CHEESE BUSINESS—SEIZES SYRACUSE PLANT

New York, April 2.—A Federal agency went into the cheese-making business today for the first time when the Milk Marketing Administration for the New York metropolitan area found that "the step was imperative to combat evil influences that are seeking to freeze small cooperatives out of their market."

With the consent of the owners of the Netherlands Dairy Co. plant in Syracuse, N. Y., Administrator N. J. Cladakis leased the cheese plant, which will begin operating under his control tomorrow.

"The program will be extended, if necessary, to assure dairy cooperatives a market for their milk and to make certain that the production of cheese and other dairy products for national defense and the lend-lease program continues," Cladakis asserted in a statement.

Cladakis reported that many cooperatives had been refused markets in New York City unless they agreed to supply the milk at less than cost, while several manufacturing plants in the milkshed had shut their doors on milk from these cooperatives.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record to include an article by Maj. Gen. William C. Rivers.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HOUSTON. Mr. Speaker, I have two requests to submit: First, to extend my own remarks and include a statement presented to the Ways and Means Committee; and secondly, to extend my remarks and to include a letter from a soldier on the 40-hour-week proposition.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have two requests to submit: One that I may extend my own remarks in the Record and include an editorial quoting my colleague the gentleman from Oklahoma [Mr. CARTWRIGHT].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[Mr. JOHNSON of Oklahoma addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an address made by Wheeler McMillen.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]?

There was no objection.

FOOD RATIONING

Mr. HOPE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas [Mr. HOPE]?

There was no objection.

Mr. HOPE. Mr. Speaker, there is about to be instituted in this country a system of sugar rationing. I rise today not to discuss that, although it seems to me

there is some doubt as to whether it is justified on the basis of information now available.

What I want to do is to call attention to the fact that unless we make some effort to coordinate the activities of the various agencies in this country dealing with food we are likely to have rationing in the case of a number of other food commodities. The farmers of this country have indicated that they intend to produce more this year than any year in our history. They will do so if weather conditions are normal and if they can secure sufficient labor and machinery. However, unless we can coordinate this production with transportation, storage, processing, and distribution better than is being done now, I very much fear we are going to have rationing of many food products. There are at least half a dozen governmental agencies now dealing with various matters involving food. They are not working together. There should and must be a definite policy and an integrated administration of the same.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the administration would adopt a policy permitting sugar processors to secure increased facilities, the farmers of America would produce enough sugar beets and sugarcane to take care of our own needs here in this country.

Mr. HOPE. I think something more could be done along that line than is being done.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I have four requests. I ask unanimous consent that the gentleman from Illinois [Mr. DIRKSEN] may extend his own remarks in the RECORD and include an editorial; that the gentleman from California [Mr. ANDERSON] may extend his own remarks in the RECORD and include a radio broadcast participated in by the gentleman from California [Mr. ANDERSON] and the other gentleman from California [Mr. COSTELLO]; that the gentleman from Michigan [Mr. HOFFMAN] may extend his own remarks in the RECORD; and, finally, I ask that I may be permitted to extend my own remarks in the RECORD and to include a letter addressed to the Department of Agriculture, and the reply, concerning the coming wheat referendum vote to be held throughout the Nation on May 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two topics; in one to include two letters from residents of my own State and in the other to include a statement made by William Green, president of the American Federation of Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

POOLING OF AIRCRAFT MANUFACTURING FACILITIES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, heartening news comes from the war effort, so far as the aircraft industry on the west coast is concerned. Eight plants manufacturing fighting planes for this Nation and our Allies have joined forces in a public pronouncement which tells us that they are exchanging information and pooling their resources; in other words, instead of standing alone they are working together.

What those eight manufacturing concerns are doing on the west coast should be done in the East and on the east coast, namely, Fairchild, Glenn Martin, Curtiss-Wright, Bell, Republic, and many others, should join with the other manufacturers that we shall have an all-out aircraft-production effort, because, as I have repeatedly stated on this floor, and as the people of America now know, planes properly maintained and placed at the fighting fronts will be the deciding factor in winning this war.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short telegram.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. PITTENGER]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include an editorial from the Montgomery Advertiser.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Huntsville Times.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by the Honorable H. M. Sutherland, of Clintwood, Va.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include

therein an editorial from the Washington Post.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Milwaukee Journal.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

(Mr. MILLS of Louisiana asked and was given permission to extend his own remarks in the RECORD.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. SMITH] is recognized for 5 minutes.

GENERAL MACARTHUR RECOMMENDED 6 PERCENT WAR PROFITS LIMITATION

Mr. SMITH of Washington. Mr. Speaker, I supported the 6-percent war-profits limitation amendment offered by the gentleman from South Dakota [Mr. CASE] to the \$18,000,000,000 appropriation bill, which amendment was adopted by the House by a viva voce vote.

Mr. Speaker, I feel certain that it will be of interest to the Members of the House and the American people to know that this very type of legislation to curb war profits has been recommended and favored by no less a personage than the gallant intrepid hero of Bataan and now chief commander of all the armed forces of the United Nations in the Far East, Gen. Douglas MacArthur. I find that in the Seventy-first Congress, Public Resolution No. 93 was adopted by Congress creating the War Policies Commission to consider legislation to remove the profits of war, and hearings were held March 5, 1931, to May 22, 1931. During these hearings Gen. Douglas MacArthur, then Chief of Staff of the United States Army, in a prepared statement which he read to the Commission, advocated and proposed to Congress "that the profits of industry in wartime be limited to 6 percent."

I quote from a colloquy which appears on page 382 of the hearings, between our colleague the gentleman from Mississippi [Mr. COLLINS] and General MacArthur, reading as follows:

Mr. COLLINS. Suppose you were dealing with the head of the United States Steel Corporation on the price of products of that corporation. Under this plan of yours, how would you arrive at the price to be paid?
General MACARTHUR. By a coordinated agreement, under the set-up that we have outlined.

Mr. COLLINS. You called it negotiations.
General MACARTHUR. Yes.

Mr. COLLINS. Then, in negotiating that agreement, you state also, if I understood you correctly, you would undertake to pay them a profit of 6 percent.

General MACARTHUR. Yes; that is correct.

Mr. COLLINS. A profit of 6 percent?

General MACARTHUR. That is correct.

Mr. COLLINS. On what it is claimed is the investment?

General MACARTHUR. That is correct.

Mr. COLLINS. And you would do the same way with every other concern?

General MACARTHUR. Yes.

Mr. Speaker, these views of General MacArthur are just as sound today as they were a decade ago and should receive from Congress the favorable consideration to which they are entitled. Let us insure that the economic injustices of the first World War are not repeated and that unconscionable profits are prohibited by statutory enactment. Let us draft dollars as well as men.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I commend the gentleman on his diligence and his interest in the subject in bringing us this very interesting contribution to the 6-percent-profit-limitation discussion. I was entirely unaware of this background. I think the gentleman has performed a distinct service in bringing it to the attention of the Members at this time. I think this may also be brought to the attention of the other body, which is taking up consideration of the question today.

Mr. SMITH of Washington. I thank the gentleman from South Dakota for his statement. I join with him in expressing the hope that the Senate, which is now considering this very subject, will place a limitation of 6 percent on the profits of industry during this war, as recommended by General MacArthur.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. TREADWAY] is recognized for 10 minutes.

THE NEW TAX MEASURE

Mr. TREADWAY. Mr. Speaker, I think there will be great interest among the Members of the House when the sessions start next week in getting the report from our friends who have been home meeting their constituents. One thing which I am very certain is that they will find that their constituents will want action to eliminate war profiteering by any person or group. I am sure whatever expressions come back to us will at least include that idea.

In the present crisis, with the very existence of the Nation at stake, and with each citizen having an equal interest in the outcome, every person must expect to make some direct contribution to the war effort. Individual advantage and selfishness cannot be tolerated. We are all in this war together, and we cannot expect the men in uniform, who are offering their very lives, to make all the sacrifice.

This war is going to cost plenty without anyone profiteering out of it. Already we have a war program involving an aggregate expenditure of \$160,000,000,000, or somewhat in excess of the assessed value of all real estate in the United States, and there is no telling what the ultimate cost will be.

Mr. Speaker, my real object in taking the floor at this time is to refer to the pending hearings before the Committee on Ways and Means on the new tax measure, which have been going on for 5 weeks. There has been such diversity of opinion between the Treasury and the

other witnesses who have appeared before the committee that I think the House might like to know a little something of that situation.

Let me refer to some of the recommendations of the Treasury, both through the Secretary of the Treasury and his tax adviser, Mr. Paul.

The Treasury is proposing drastic increases in individual income taxes. Practically all the witnesses who have appeared before the committee are united in the idea that there should be more moderate increases than the Treasury Department asked for.

The Treasury wants a burdensome corporation income tax. The witnesses want a more moderate increase.

The Treasury wants a 75-percent limit on the excess-profits tax. The witnesses advocate 90 percent or more. There is once that the witnesses appearing before the committee want a higher tax than the Treasury does, but I think the explanation of that is very simple. They feel that it is proper to take the major part of any excess profits, but feel that the ordinary corporate income tax should not be so burdensome as to cripple business and industry.

The Treasury opposed the sales tax, but the great majority of the witnesses who have been interrogated on the sales tax have asked for its adoption. I am going to refer to the question of the sales tax a little later, so I shall not touch on it further at the moment.

The Treasury wants mandatory joint returns. Most of the witnesses have opposed joint returns. Of course, as we all know, that question has been before us before. One of the outstanding features of it is the community-property tax, to which I shall refer later.

The Treasury wants to tax present and future issues of State and municipal bonds. The witnesses very decidedly do not. A hearing occupying all 1 day was held by the committee on that subject. The States from California to Maine objected to the taxation of their local bonds. I think the question involved is not altogether a matter of dollars and cents to the Treasury; it is a matter of the relationship between the Federal Government and the States themselves, the States desiring to retain their individuality and the Treasury, or the administration, at all times endeavoring to secure more control over State action. That is very apparent in many items. I shall later refer to this subject in further detail.

The Treasury wants a higher tax on capital gains. The witnesses want a lower tax.

The Treasury wants to do away with percentage depletion for oil wells and mines. The witnesses do not, and a very strong hearing was held on that matter.

So it goes. Virtually every proposal of the Treasury is being objected to by the interested parties. The diversity of the feeling illustrates very plainly the difficulty under which the Committee on Ways and Means is laboring. It is also evidence of the fact that it will be hard to raise the full amount requested. So, to refer again to the sales tax, it seems to some of us, and I admit that I am one of them, that no matter what the argu-

ment against the sales tax may be, in order to anywhere near cover the amount the Treasury asks for we are getting to the point of recognizing that probably a retail sales tax must be levied. Otherwise I do not see how we are going to be able to raise the amount requested.

The President has proposed that we levy nine billions of additional taxes to augment the present Federal tax load of eighteen billions. Seven billions is proposed to be raised by general taxation and two billions by increasing the social-security taxes. If this program should be fulfilled, the Federal tax burden, plus the ten billions collected in State and municipal revenues, would bring the aggregate tax load in this country to \$37,000,000,000 annually.

I have always been a strong advocate of a pay-as-we-go fiscal policy, but at the present rate of expenditures, involving an outlay of fifty-nine billions in the coming fiscal year, it would be not only impracticable but impossible to realize.

In my opinion, we should not try to raise all of the nine billions of additional taxes requested by the President at this time. The benefits to be achieved by victory over the Axis Powers will inure to posterity as well as to the present generation of taxpayers, and there is no reason therefore why future taxpayers should not share some of the cost. Moreover, while we should attempt to raise all we can by current taxes, there is a point beyond which we cannot go without drying up the tax sources.

Since 1932 we have had 15 bills raising taxes, and in 1 year we had two major tax bills. It seems to me it may be that we have reached a pretty high level of taxation.

Our present Federal tax load is already three times as great as was imposed during the years of the first World War. Since the fall of France, we have increased Federal taxes three times, and the country has hardly become adjusted to the last increase of three and one-half billions. We had difficulty, as the House well knows, in securing that \$3,500,000,000 last year. We figured and figured at that time before we found means of getting that amount. Of course, now we have the incentive of supporting the war to the very best of our ability and to the last cent of payment. But nevertheless, no matter how long this war continues, or when we win the victory, it will be a victory for future generations. It may be that the amount of \$7,000,000,000 to be raised by taxation at the present time is rather high and that some of that burden might very well go into the general debt of the country. We have raised the limitation to \$125,000,000,000. We have not as yet actually allocated all of that \$125,000,000,000, but it will be in the neighborhood of that by next year. I hesitate to set any definite figure as to how high we should increase taxes at this time, but it seems clear that we can at least dispense with the proposed increase in social-security taxes. Further social legislation can very well wait until we have won the war, because if we do not win, all our so-called social gains will be lost, anyway. Furthermore, we should

keep social-security taxes for social-security purposes. Once we start using them for helping to finance the Government or to skim off the people's purchasing power as an anti-inflation measure, we will have established a bad precedent that may ultimately wreck the whole social-security program.

As to the balance of the nine billions, for which the President has asked, we should keep in mind the heavy, additional taxes which have recently been imposed and add further burdens more gradually, so that the people can become adjusted to them. I am sure our citizens will gladly pay any amount of taxes that may be necessary to insure victory, but we should not increase the load too much at any one time.

Many people can pay increased taxes out of higher earnings resulting from the war program, but to others, whose incomes have not increased, and may possibly have decreased, higher taxes mean a reduction in their standard of living. We must keep this latter group especially in mind in framing the new tax bill. Ultimately, the cost of the war will necessarily drive down the standard of living of our whole people, and it will be much better for all if opportunity is given for readjustment to meet each additional burden before a new one is imposed. Our people can stand a great deal if they are gradually prepared for it.

It seems to me that the chief defect of the Treasury's tax program is that it reflects a lack of imagination on the part of those responsible for it. The Treasury has discovered no new sources of revenue, but continues to overwork the income tax, which has borne the brunt of all tax increases since 1932. As a result of the last tax bill, those in the lower income brackets had their taxes increased three to four times over the previous level, and now the Treasury proposes to double this amount. The same is very largely true of the corporation tax, which ultimately is borne by the shareholders, many of whom are of small means, in addition to the individual income tax on their dividends.

I favor further increases in the income tax, both individual and corporate, but not as high as the Treasury proposes. So far as the corporate taxes are concerned, it would seem that Congress might put more emphasis on the excess-profits tax than under the Treasury plan and less emphasis on the corporation income tax.

Further revenue could be obtained from the income tax if the residents of the nine so-called community property States were required to pay their fair share of the tax burden. At present the laws in those States treat the income of the husband as belonging one-half to the wife, and each file Federal income-tax returns on one-half the salary. This means that the income is taxed under lower brackets of the graduated surtax schedule, with the result that the Federal income tax does not operate equally throughout the country. For example, a married person in Massachusetts with an income of \$25,000 must now

pay a Federal income tax of \$6,864, but a California resident with the same income would pay only \$4,355, a saving of \$2,509. I have long urged that this loophole in the Federal tax law be closed, and for years have had a bill pending which would require those in the community-property States to pay the same tax as residents of the other 39 States have to pay.

It is frequently said that every citizen should be required to make some direct tax contribution to the war effort. Most people, I believe, are eager to do so. It seems to me that the Ways and Means Committee might very well give consideration to the imposition of a special war tax, to be paid by all the people. A retail sales tax has been suggested in many quarters as being admirably suited for this purpose. It would be collected in small amounts, and thus would not be a hardship to pay. Those who had the most to spend would pay the most, which would include those who have benefited most from the war boom. While the objection is made that it would bear most heavily on those of small means, this fact is overcome by reason of the high income tax which the more-well-to-do have to pay in addition to being subject to any sales tax which might be imposed. We already have excise taxes on a great many commodities, which are, in effect, sales taxes.

While the Treasury has proposed that the interest on outstanding as well as future issues of State and municipal securities be subject to Federal income tax, it appears that this proposal has little chance of enactment, at least so far as outstanding issues are concerned. Even should future issues be taxed, the revenue would be small for a long period of years, and to the extent that any gain resulted to the Federal Treasury, a corresponding loss would accrue to the States and municipalities by reason of having to pay higher interest rates, which would, in turn, be reflected in higher taxes on property owners in the States and local communities.

In conclusion, let me state that if any Members have any ideas to submit to the committee regarding the tax problem, I am sure the committee will be glad to have the benefit of them.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. PITTENGER. I have been interested in all of the remarks the gentleman has made, and I think they are of great help to the Members of the House, especially calling attention to the taxation of municipal bonds and securities, which are now tax-exempt. Outside of the Treasury Department witnesses, were there any other witnesses who advocated the taxation of such bonds?

Mr. TREADWAY. I think not. Of course, I may say that the actual amount involved is not very large, but it is the principle involved that is more important than the actual dollars that might be secured by that method of taxation. The principle of maintaining the independ-

ence of the States has been very much stressed in the hearings before the Ways and Means Committee.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand, the gentleman stated the Treasury recommended an increase in the tax on the people in the lower income brackets?

Mr. TREADWAY. No; they do not reduce the lower brackets.

Mr. AUGUST H. ANDRESEN. But they increase the rate?

Mr. TREADWAY. Yes; very decidedly.

Mr. AUGUST H. ANDRESEN. It seems to me they should be aware, and, of course, all of us are aware, of the fact that the large bulk of our population is living on a fixed income.

Mr. TREADWAY. That is true. I have touched upon that in my statement.

Mr. AUGUST H. ANDRESEN. And they are getting no profit out of the war program. In fact, most of them are not getting any work or contracts as a result of the war program. If they take away this small, fixed income of the American people by an increase in the rate of taxation, they will soon liquidate all of our people who are not beneficiaries of the war program.

Mr. TREADWAY. And in addition to what the gentleman says, there is the possibility of doing great harm to certain people who may be obliged to depend on investment income. For instance, many widows and elderly people. Such a program would add very heavily to their burdens and make it very difficult for them to meet their taxes and still have enough of an income to live on.

Mr. AUGUST H. ANDRESEN. That would apply to the school teachers and all others who have a fixed income.

Mr. TREADWAY. The gentleman is correct, and, of course, we all must realize that none of us can live in the same way we have lived in the past, and we must expect to sacrifice and we want to sacrifice, and that is a part of our idea of helping in the war.

Mr. AUGUST H. ANDRESEN. All of us are willing to suffer, but we do not want to see this waste in the defense program, and we do not want these defense profits and all this racketeering going on.

Mr. TREADWAY. I have very strong views on that subject. As the gentleman knows, I am on the Byrd committee, which is endeavoring to reduce expenditures on nondefense items.

Mr. AUGUST H. ANDRESEN. And the gentleman is doing a fine job, too.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COCHRAN. The gentleman referred to a recommendation of the Treasury in reference to taxing State and municipal securities. The gentleman has been on the Ways and Means Committee for many, many years.

Mr. TREADWAY. Yes. I believe I am the oldest man in point of service on the committee, not even excepting the distinguished chairman.

Mr. COCHRAN. I realize that many of the Members here were in short pants when the gentleman first began service on the Ways and Means Committee. For 30 years the Treasury has made that same recommendation, Democrats and Republicans alike. Is not that correct?

Mr. TREADWAY. Yes.

Mr. COCHRAN. Does the gentleman see any change in the attitude of the committee or in the attitude of the Members of Congress on that subject? Heretofore the committee and Congress refused to act favorably on the suggestion.

Mr. TREADWAY. I think I ought to preface any answer that I make to the gentleman by saying that I am speaking only for myself, not in any way representing anybody else on the committee. The fact is that the hearings have so occupied the committee during the 5 weeks that they have been going on, that there have been no conferences between members of the committee, no executive sessions.

Mr. COCHRAN. The gentleman recalls the hearing before the Committee on Ways and Means on a bill that I introduced in reference to States sales taxes.

Mr. TREADWAY. Yes.

Mr. COCHRAN. The Assistant Secretary of the Treasury, Mr. Sullivan, appeared before the Committee on Rules on that bill and the gentleman from Michigan [Mr. MICHENER], who is here this morning, asked him if he was opposed to that bill, because he had in mind the recommendation of the Treasury in regard to State and municipal securities taxes. Of course, the Secretary did not want to commit himself. The Treasury was afraid it would jeopardize its policy which they had followed over this long period of years, when they endorsed the taxing of local and State securities. However, I recall that the gentleman from Michigan [Mr. MICHENER] asked Mr. Sullivan, "Is it your purpose to provide for this taxation on future issues only, or do you propose to go back and want the Congress to include all the outstanding issues?" Mr. Sullivan replied, "We certainly want to go back and tax all the outstanding issues." I ask the gentleman from Michigan [Mr. MICHENER], who is present, whether that is not correct?

Mr. MICHENER. That is correct.

Mr. TREADWAY. I have never favored taxing past issues. I think that would evidence a lack of good faith upon the part of the Government.

Mr. COCHRAN. What I desired to show is that the Assistant Secretary of the Treasury is gambling on getting

something which the gentleman knows, and which I know, he is not going to get, and at the same time refuses to try to save two or three billion dollars for the Nation's Government. The two or three billion can be saved, and should be saved, and it is no credit to the Treasury to take the position it does. Each proposition should be decided on its merits. One should not be coupled with the other. I thank the gentleman from Massachusetts for permitting me to make this observation.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has again expired.

GEN. GEORGE C. MARSHALL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker, Army Day quite appropriately affords me the opportunity to pay tribute to Gen. George C. Marshall, one of the greatest military strategists which this Nation has ever produced. Although he has been selected for the highest post within the designation of the Chief Executive, with which goes the responsibility of directing our armed forces throughout the far-flung battle areas the world over, he labors silently and modestly without the fanfare of publicity and as a rule far removed from the plaudits of the people.

His genius, his labors, and his aggressive though unheralded actions cover and make possible the Army's heroic accomplishments from Bataan to Zamboanga in the Philippines, from Port Darwin to Ceylon, and from Iceland and northern Ireland to Panama and to Dutch Guiana.

Every move of the Army calculated to bring ultimate victory in north Africa and throughout the Near East has been planned and approved by America's foremost soldier.

I take this opportunity to appraise the real value of Gen. George C. Marshall, Chief of Staff of the United States Army, and to focus the attention of the people upon this quiet though brilliant and productive soldier. He himself shuns and evades publicity, because he is too modest and occupied with the greatest task which has ever been thrust upon a soldier serving in the same capacity.

Far removed from the spotlight of activity as he is, we are prone to overlook a man of the finest character, a soldier of great ability, a strategist of the highest order, and a man of action.

I am certain that the House of Representatives joins with me in applauding the brilliant and historic accomplishments of our Chief of Staff. I want to convey to him my personal congratulations on Army Day.

EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include an article from the Fort Smith Tribune, of Arkansas, entitled "Municipal Ownership."

The SPEAKER pro tempore. Is there objection?

There was no objection.

REGIMENTATION OF THE PEOPLE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I was very much impressed with the remarks of my colleague from Kansas [Mr. HOPE], made earlier in the afternoon, in which he raised some question about the matter of rationing and the matter of priorities. All of us want to do everything we can to cooperate with the Government in its all-out efforts to win this war, but I am wondering if the different steps that have been taken, say, for example, in respect to the automobile industry, in respect to tire rationing, and the various priorities and rationing problems that have been handled for the Government—there is some question whether these steps have been guided by experienced men, who know how to handle these problems with the least hardship to the American people. Frankly, I doubt that it has. Then, further, we have this question of a sugar shortage and the rationing of sugar. The newspapers indicate that that is going to spread out to other fields, where foodstuffs are involved. All that means more and more regimentation, and I doubt the wisdom or the necessity for all those drastic steps. I think the Congress ought to scan very carefully the activities of these agencies that have been created, before any such steps are really taken.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. KNUTSON. My colleague from Minnesota is not laying at the door of Congress the mistakes that have been committed by the administration, I hope?

Mr. PITTENGER. Most certainly not; but what I am saying is that the people are going to look to Congress so that it will in some way curb these Government agencies if they need to be regulated themselves.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has again expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ANDERSON of California (at the request of Mr. MICHENER), for 1 week, on account of official business.

EXTENSION OF REMARKS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the Record an article on the subject of union initiation fees, dues,

the 40-hour week, and so forth, from the Tulsa (Okla.) World.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and; under the rule, referred as follows:

S. 1603. An act to provide for the extension of banking facilities at military reservations and at navy yards and stations, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 6554. An act to amend war-risk insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 639. An act for the relief of Edd Nevins;

H. R. 710. An act for the relief of Martin N. Mayrath;

H. R. 2922. An act for the relief of Albert Edward Whiteside;

H. R. 3091. An act for the relief of Martin J. Price;

H. R. 3722. An act for the relief of Lt. Col. S. W. McIlwain;

H. R. 3732. An act for the relief of Ida Baird;

H. R. 4099. An act for the relief of Onie Martin and Betty Martin;

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the Naval Air Station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey;

H. R. 4464. An act for the relief of Henry J. McCloskey;

H. R. 4625. An act for the relief of Karl K. Wilkes;

H. R. 4955. An act for the relief of Geoffrey Orme;

H. R. 5069. An act for the relief of George Garcavy;

H. R. 5363. An act for the relief of Johnston-Hall Hospital, Calhoun, Ga., and Dr. Z. V. Johnston, Calhoun, Ga.;

H. R. 5452. An act for the relief of Emmett Armstrong;

H. R. 5500. An act for the relief of the estate of Charles L. Clark;

H. R. 5504. An act for the relief of H. J. Abney;

H. R. 5559. An act for the relief of William Horsman;

H. R. 5576. An act for the relief of A. L. Freeman;

H. R. 5652. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes;

H. R. 5686. An act for the relief of Lewis J. and Mary Black;

H. R. 5686. An act for the relief of the city of Atlanta, Ga.;

H. R. 5977. An act for the relief of Mr. and Mrs. F. Wilder Temple;

H. R. 6023. An act to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States;

H. R. 6273. An act to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal-revenue bonded warehouses, and for other purposes;

H. R. 6360. An act to amend the act known as the Perishable Agricultural Commodities Act, 1930 (46 Stat. 531), approved June 10, 1930, as amended;

H. R. 6387. An act to extend the crediting of military service under the railroad retirement acts, and for other purposes;

H. R. 6440. An act to authorize the renewal of the lease of the old naval hospital in the District of Columbia for an additional period of 15 years; and

H. R. 6714. An act for the relief of Daniel Elliott and Helen Elliott.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 25 minutes p. m.), pursuant to its order heretofore entered, the House adjourned until Thursday, April 9, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, April 14, 1942. Business to be considered: Hearings along the line of the Sanders bill, H. R. 5497, and other matters connected with the Federal Communications Commission.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1549. A letter from the Secretary of Agriculture, transmitting the Ninth Annual Report of the Farm Credit Administration covering the operations for the year 1941 (H. Doc. No. 514); to the Committee on Agriculture and ordered to be printed, with illustration.

1550. A letter from the Secretary of the Treasury, transmitting the annual report for the fiscal year ending June 30, 1941, of the exchange stabilization fund; to the Committee on Coinage, Weights, and Measures.

1551. A letter from the Acting Administrator, Federal Works Agency, transmitting a draft of a proposed bill to amend the Defense Highway Act of 1941; to the Committee on Roads.

1552. A letter from the Postmaster General, transmitting a draft of a proposed bill to amend an act for the relief of present and former postmasters and acting postmasters, and for other purposes, to permit payment of total compensation to certain employees of the Postal Service employed in a dual capacity; to the Committee on the Post Office and Post Roads.

1553. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for the creation of, and award to, the personnel of the armed forces of the United States and to similar personnel of friendly foreign countries a decoration known as the Legion of Merit; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs, H. R. 6829. A bill to equalize the rates of pay of all personnel in the United States Army, the Philippine Scouts, and the Philippine Commonwealth Army, and for other purposes; without amendment (Rept. No. 1969). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RANDOLPH:

H. R. 6898. A bill to temporarily permit boarding houses and lodging or rooming houses in the District of Columbia notwithstanding the prohibition of the zoning regulations; to the Committee on the District of Columbia.

H. R. 6899. A bill to exempt custodial employees of the District of Columbia Board of Education from the operation of the provisions of section 6 of the Legislative, Executive, and Judicial Appropriation Act approved May 10, 1916; to the Committee on the District of Columbia.

By Mr. CURTIS:

H. R. 6900. A bill to prohibit discrimination with respect to employment in the service of the United States or employment resulting from expenditures made by the United States; to the Committee on the Judiciary.

By Mr. KRAMER:

H. R. 6901. A bill to enable the agencies of the Government to administer certain patents for the best interests of the public, and for other purposes; to the Committee on Patents.

By Mr. SATTERFIELD:

H. R. 6902. A bill to provide for the hearing of certain criminal cases by United States commissioners; to fix compensation of United States commissioners; and for other purposes; to the Committee on the Judiciary.

By Mr. MOTT:

H. R. 6903. A bill providing for taxation by the States and their political subdivisions of certain real property acquired for military purposes; to the Committee on the Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to enact legislation relative to old-age security; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to enact legislation providing benefits to civilians who may be injured or the dependents of civilians who may be killed by reason of enemy action; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States to enact legislation providing benefits to civilians who may be injured or killed by enemy action; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE of Nebraska:

H. R. 6904. A bill for the relief of the Bridgeport irrigation district; to the Committee on Irrigation and Reclamation.

By Mr. GIFFORD:

H. R. 6905. A bill for the relief of Manuel G. Souza and Manuel Souza, Jr.; to the Committee on Claims.

By Mr. GREGORY:

H. R. 6906. A bill for the relief of Harriett Boswell, guardian of Betty Fisher; to the Committee on Claims.

By Mr. ROBERTSON of Virginia:

H. R. 6907. A bill for the relief of Mrs. P. R. Yeager; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2644. By Mr. FITZPATRICK: Petition of the Common Council of the city of Mount Vernon, N. Y., opposing the continued attempts of the Treasury Department, whether by statute, administrative rulings or by judicial decree to impose a Federal tax on the income of State and municipal bonds; to the Committee on Ways and Means.

2645. Also, petition of the New York State Legislature, requesting the Congress of the United States to amend the Social Security Act to provide that all employees who were formerly covered by the social security law and who heretofore made contributions thereto in the form of employee tax, and who became ineligible through no action or choice on their part, may again become eligible under the social security law for social security benefits upon signifying their willingness to pay, not only the amount of employee contributions, but also the amount of employer contributions which their present employer would have been required to pay if such employer were covered by the law; to the Committee on Ways and Means.

2646. By Mr. KRAMER: Petition of the National Association of Postal Supervisors of Los Angeles, going on record as favoring the reappointment of Mary D. Briggs as postmaster of Los Angeles on a noncompetitive basis; to the Committee on the Post Office and Post Roads.

2647. By Mr. MARTIN of Iowa: Petition of Pastors Willis and Nora Craven and 60 voting members of the congregation of Pleasant Plain Friends Church, Pleasant Plain, Iowa, urging the passage of Senate bill 860 to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2648. By the SPEAKER: Petition of Secretary Bergen County Chamber of Commerce, Hackensack, N. J., petitioning consideration of their resolution with reference to the continuation of the Dies committee; to the Committee on Accounts.

2649. Also, petition of the deputy attorney general of the State of Nevada, petitioning consideration of their resolution with reference to House bill 6750; to the Committee on Ways and Means.

2650. Also, petition of the county clerk of Milwaukee, Wis., petitioning consideration of their resolution with reference to House bill 6750; to the Committee on Ways and Means.

2651. Also, petition of the Daughters of the American Revolution, State of Illinois, petitioning consideration of their resolution with reference to flag etiquette; to the Committee on the Judiciary.

2652. Also, petition of a list of voters of the State of Texas, petitioning consideration of their resolution with reference to expediting the war effort; to the Committee on the Judiciary.

SENATE

TUESDAY, APRIL 7, 1942

(Legislative day of Monday, March 30, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Theodore O. Wedel, canon, Washington Cathedral, offered the following prayer:

O Thou who art the true sun of the world, evermore rising and never going down; who, by Thy light and power dost nourish and make joyful all things, as well that are in heaven, as also that are on earth: We beseech Thee mercifully and favorably to shine into our hearts, that the night and darkness of sin and the fear of mortal enemies may be driven away. Grant that we may shoulder the heat and burdens of our tragic years without stumbling or offense, and may walk as in the daytime, being pure and clean from the works of darkness, and abounding in all good works which Thou hast prepared for us to walk in. We ask it through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 6, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations in the Marine Corps was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Doxey	Nye
Andrews	George	O'Mahoney
Austin	Green	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hayden	Reed
Barkley	Herring	Reynolds
Bone	Hill	Russell
Brewster	Holman	Schwartz
Brooks	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Stewart
Bulow	Kilgore	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Capper	McCarran	Truman
Caraway	McFarland	Tydings
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maybank	White
Danaher	Mead	Wiley
Davis	Millikin	Willis
Downey	Murray	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Mississippi [Mr. BELBO], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Kentucky [Mr. CHANDLER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senators from Delaware [Mr. HUGHES and Mr. TUNNELL], the Senator from Connecticut [Mr. MALONEY], the Senators from Utah [Mr. MURDOCK and Mr. THOMAS], the Senator from Texas [Mr. O'DANIEL], the Senator from West Virginia [Mr. ROSIER], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], the Senator from Arkansas [Mr. SPENCER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. McNARY. I announce that the Senator from Nebraska [Mr. NORRIS] is absent because of illness.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Nebraska [Mr. BUTLER] are necessarily absent.

The Senator from New Jersey [Mr. BARBOUR] is absent on public business.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

TRINITY RIVER, TEX., WATERSHED
SURVEY REPORT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting a report of a survey of the Trinity River watershed in Texas, based on an investigation authorized by the Flood Control Act of June 22, 1936, which, with the accompanying report, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a petition from Frank I. Hogan, attorney, Huntington Park, Calif., praying for the enactment of legislation to license each war worker; to settle the matter of birth certificates; to prohibit age-limit restrictions in industry for skilled workers from 45 to 65 years of age; to remove all exemptions from payment of income taxes in the low brackets, etc.; ordered to lie on the table.

A letter in the nature of a memorial, signed by J. H. Miller, business agent of the Building and Construction Trades Council, American Federation of Labor, of Pittsburgh, Kans., remonstrating on behalf of the council against any change in the existing 40-hour workweek provision of law or in the overtime-pay scale; to the Committee on Education and Labor.

A petition of sundry citizens of Fort Scott, Kans., praying for the prompt enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. BURTON:

A petition of sundry citizens of Kalida, Ohio, praying for the enactment of the bill (S. 860) to provide for the common defense